

158 New Bond Street London W1Y 0AY Tel: 01-499 9511, Manchester Tel: 061-436 3800

OVERSEAS NEWS

Iranian Budget 10% down on last year

By Simon Henderson in Tehran

IRAN'S ruling Revolutionary Council was expected to approve last night a budget for the coming year of 2,300bn rials (about \$15bn)—a drop of about 10 per cent on last year.

President Abol Hossain Bani-Sadr said dependence on oil income had increased, because industrial production and tax income from it had fallen during the last year. "We have not progressed in our struggle against foreign domination, we have gone back," he said.

Oil revenue for the coming year was estimated by Mr. Ezzatollah Sahabi, head of the Plan and Budget Organisation, at 1,600bn rials (about \$11bn). Given Iran's regular price increases, such a figure would indicate plans to cut production further during the next year.

Like last year's Budget, one-third is expected to be set aside for development projects.

The Budget runs through the Iranian year which begins on March 21. Arrangements had already been made to allow for payments for that part so far elapsed.

Under the Shah, the budget was about 25 per cent higher, not allowing for inflation. Since the Revolution, cuts have been mainly in defence and development.

Reuter adds from Tehran: Only 16 per cent of Iran's foreign trade is conducted in dollars, compared with 80 per cent before the revolution, according to President Bani-Sadr. "This is a great victory for us and can be considered a great victory in our fight with the U.S.," the official Pars news agency quoted him as saying.

Israeli commandos kill 5 guerrillas

BY ROGER MATTHEWS IN JERUSALEM

FIVE PALESTINIAN guerrillas, and two Israelis, one of them a baby, were killed yesterday during an attack on a kibbutz near the border with Lebanon.

The incident was described as the most serious Palestinian guerrilla attack inside Israel for three years. It came only hours before President Anwar Sadat of Egypt left Cairo for critical talks with President Carter in Washington on the deadlock negotiations over Palestinian autonomy.

Responsibility for the attack, certain to draw a vigorous Israeli military response, was claimed in the Baghdad capital of Iraq by a group calling itself the Arab Liberation Front.

The five guerrillas apparently slipped through United Nations lines in South Lebanon around midnight, then seized the children's dormitory at the small kibbutz of Misgav Am in the north-eastern corner of Galilee, just a mile from the border.

After several hours' negotiations conducted through loud-speakers, an Israeli commando unit stormed the building, kill-

ing the five guerrillas who had been demanding the release of 50 Palestinian prisoners.

An Israeli civilian died when the guerrillas first seized the building, and the baby is believed to have died in the later fighting.

Five children under the age of three who had been taken hostage were rescued. Eleven Israeli soldiers were wounded in the assault, as were four children and an adult.

Mr. Ezer Weizman, Israel's Defence Minister, who flew to the kibbutz, hinted at possible military retaliation. "You'll hear about it afterwards, not before," he said. Israeli aircraft were later reported to have drawn ground-fire as they flew over Beirut.

The timing of the attack, on the last day of the Jewish Passover, appeared designed to focus attention on radical Palestinian opposition to the negotiations between Israel, Egypt and the U.S. over the future of the occupied West Bank and Gaza Strip.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.

Mr. Sadat has warned that a "new situation" will arise if Egypt and Israel fail to reach agreement on autonomy by the target date of May 26. It is being predicted in Cairo, Jeru-

salem and Washington that a tripartite meeting could be held later this month, if sufficient progress is made in the Washington bilateral talks during the coming ten days.

Israel's Prime Minister, Menachem Begin, who is due in Washington next week for talks with President Carter, will certainly see in yesterday's incident further evidence that the Palestinians are dedicated to his country's destruction.

He is likely to use this as an argument to support granting the Palestinians only the limited administrative autonomy in the West Bank and Gaza that has been firmly rejected by President Sadat. The Egyptian leader is demanding far wider powers for the elected Self-Rule Council.



Mr. Ezer Weizman... retaliation hint

make heavy retaliation. Reuter adds: An Irish soldier was seriously wounded yesterday in a gun battle between Irish peace-keeping troops and Israeli-backed Rightists in Southern Lebanon, an Irish Embassy spokesman said here.

The Southern Lebanese port of Tyre was shelled from the Israeli border area yesterday, but no casualties were reported, Lebanese officials said.

New EEC move on companies

By Giles Merritt in Brussels

MULTINATIONAL corporations operating inside the EEC are to be the target of new social legislation under a proposal just adopted by the European Commission.

The aim of the new regulations, to be outlined in a draft directive to be published in July, is to make multinational corporations work with workers and trade union representatives compulsory.

The new EEC rules would ensure that multinational corporations operating in any EEC member-state divulge a wide range of corporate information concerning the group as a whole.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Consultation procedures under the new rules would be based on existing OECD and International Labour Organisation (ILO) voluntary codes, and on such important questions as closures, mass redundancies and group reorganisations would most probably be made compulsory.

The move to require greater consultation from multinationals active in the Community was put to the 13-member Brussels Commission last week by Mr. Henk Vredeling, Social Affairs Commissioner, and has also been strongly backed by Viscount Etienne Davignon.

Output and sales trends, employment prospects, investment and streamlining programmes, and any proposed work procedures, would have to be communicated in detail to employees and labour organisations.

Henrik Ibsen rig 'may never see service again'

BY FAY GJETER IN OSLO

TWO NORWEGIAN union leaders have expressed strong doubts about the future of the hotel rig Henrik Ibsen, following an accident at the weekend when the rig developed a 20-degree list.

The Henrik Ibsen—at present moored in Stavanger—is of similar design to the Alexander Kielland, which capsized on Norway's Ekofisk field less than a fortnight ago, with the loss of 123 lives.

Mr. Aksel Kloster, who heads an offshore group of TUC-affiliated unions, said he doubted whether the Henrik Ibsen would ever see service in the North Sea again.

Mr. Kloster, the TUC's representative on the official committee of inquiry into the Kielland disaster, said the committee would have to investigate the incident on the sister rig as well.

Even before the listing occurred, an independent offshore union—NOEMFO—had said it would bar its members from working on the Henrik Ibsen if the rig was used again as a hotel platform.

Later, Mr. Odd Paulsen, the union's manager, said the Henrik Ibsen would have to be reconstructed to a drilling rig if its owners wanted to use it in the North Sea.

Representatives have asked to meet Labour Minister Ole Dalgard tomorrow to discuss the Henrik Ibsen's future.

At present the rig is barred from leaving port, pending a thorough study of its structure. Work continued yesterday to right the Henrik Ibsen, which was evacuated on Sunday evening after the list developed. A team of engineers which went aboard yesterday repaired an emergency generator—the main power supply had failed when the rig lurched the day before.

With electricity again available to drive the huge pumps, the engineers could partly empty the leg touching the sea bed, while filling some of the other legs. The owners, Stavanger Drilling, said later that they expected to re-establish the rig by the evening.

Stavanger Drilling said they had a "clear picture" of what had happened, but it was too early to "allocate responsibility".

Ray Daffer, Energy Editor, adds: Preliminary reports of safety inspections carried out on UK-based pentagonal rigs similar to the Alexander Kielland and the Henrik Ibsen show there is "no cause for alarm," according to the Energy Department.

Extra safety checks are now being carried out on all semi-submersible rigs in the British sector of the North Sea. Recent inspections show that over the past two years, minor cracks were found in about one-third of the rigs operating in UK waters.

Soviet troops leave East German town

BY LESLIE COLTITT IN OSCHATZ

THE SOVIET UNION resumed its limited withdrawal of troops from East Germany yesterday by pulling back more than 1,000 troops and dozens of tanks from a garrison in this East German town near Leipzig.

Last October, Mr. Leonid Brezhnev, the Soviet President, announced that Moscow would unilaterally withdraw up to 20,000 Soviet soldiers, 1,000 tanks and other military equipment from East Germany within a year.

Mr. Gen. Vyacheslav Gordienko, Deputy Commander-in-Chief of Soviet forces in East Germany, said here that the decision—unilaterally to reduce Soviet forces in central Europe is being carried out despite the "complicated international situation".

This was a reference to the West's reaction to the Soviet occupation of Afghanistan. The Soviet withdrawal from Afghanistan was announced yesterday.

amounts to 5 per cent of the Soviet army's strength in East Germany. Last week, the Warsaw Pact called for the withdrawal to be included in the Vienna negotiations on mutual force reductions in Central Europe.

This was rejected by NATO. Agencies add: Sr. Isidoro Malinieri Peoli, Cuban Foreign Minister, arrived in Delhi yesterday, from Kabul, to discuss ways to defuse the Afghan crisis. Mr. Pham Van Dong, Vietnamese Prime Minister, also flew into the Indian capital for a visit expected to focus in part on Afghanistan. He was followed by Mr. Nikolai Firiyubin, Soviet Deputy Foreign Minister, on his way back to Moscow.

Afghan rebels captured the Soviet-held air base of Bagram 45 miles north of Kabul and killed a Russian general and 75 troops, including 25 officers, Radio Pakistan said yesterday.

U.S. poll puts Reagan level with Carter

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. RONALD REAGAN has drawn level with President Jimmy Carter in public estimation, according to an opinion poll published yesterday in Time magazine.

The conservative Republican's gain derives principally from eroding public confidence in Mr. Carter's management of international and domestic affairs, especially, according to the survey, in the public perception that he has been "too soft" in dealing with Iran.

However, Mr. Reagan appears to be the only presidential candidate who has benefited from the President's problems. The poll still found Mr. Carter with a healthy lead over Senator Edward Kennedy in the opinion of Democrats and over the other Republican contenders.

Both Mr. Carter and Mr. Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

Mr. Reagan was also expected to win the lion's share of the 34 delegates to be apportioned in Oklahoma, where the Republican Party was holding the first stage of its caucus process last night. Mr. Carter has already overwhelmed his opponents in the Democratic caucuses.

Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

Mr. Reagan was also expected to win the lion's share of the 34 delegates to be apportioned in Oklahoma, where the Republican Party was holding the first stage of its caucus process last night. Mr. Carter has already overwhelmed his opponents in the Democratic caucuses.

Both Mr. Carter and Mr. Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

Mr. Reagan was also expected to win the lion's share of the 34 delegates to be apportioned in Oklahoma, where the Republican Party was holding the first stage of its caucus process last night. Mr. Carter has already overwhelmed his opponents in the Democratic caucuses.

Both Mr. Carter and Mr. Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

Mr. Reagan was also expected to win the lion's share of the 34 delegates to be apportioned in Oklahoma, where the Republican Party was holding the first stage of its caucus process last night. Mr. Carter has already overwhelmed his opponents in the Democratic caucuses.

Both Mr. Carter and Mr. Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

Mr. Reagan was also expected to win the lion's share of the 34 delegates to be apportioned in Oklahoma, where the Republican Party was holding the first stage of its caucus process last night. Mr. Carter has already overwhelmed his opponents in the Democratic caucuses.

Both Mr. Carter and Mr. Reagan consolidated their positions as favourites for their respective party primaries in Saturday's primary election in Louisiana.

Mr. Carter received 56 per cent of the popular vote and 39 convention delegates, compared with only 22 per cent and 12 delegates for Mr. Kennedy. Mr. Reagan's victory was even more convincing—by 74 to 19 per cent over his only opponent, Mr. George Bush. He won 29 of the 31 Republican delegates.

1979 Annual Report:

Earnings up 26% to record \$571 million; energy expenditures top \$1 billion.

Significant gains in oil and gas operations, together with improved profitability in six other operating divisions, resulted in a record performance by Tenneco in 1979.

Earnings were up 26 percent, fully diluted earnings per share increased 24 percent, and capital expenditures for energy projects alone topped \$1 billion, nearly twice the net income for the year.

J. L. Ketelsen, chairman and chief executive officer, reported net income was \$571 million compared with \$452 million in 1978. Operating revenues were \$11.2 billion vs. \$8.8 billion. Earnings per share of common stock, fully diluted, were \$5.16 vs. \$4.17.

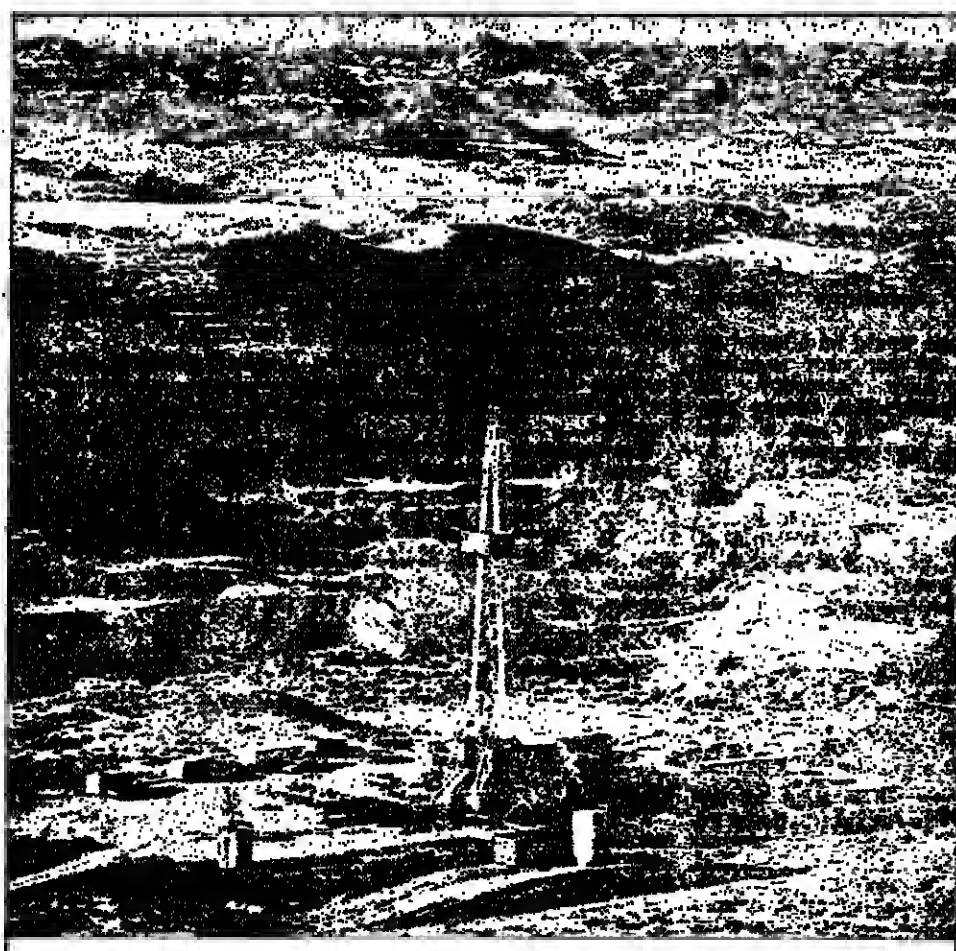
Operating income (pre-tax, pre-interest) from integrated oil operations was up 49 percent in 1979. Ketelsen said this improvement reflects the high level of investment the Company has made—approximately \$3 billion in the past five years—to finance aggressive energy programs.

Production of oil and natural gas set new records while at the same time the company replaced 108 percent of current production with new reserves. The Company's drilling success ratio—29 percent of wildcat wells and 85 percent of development wells—remained among the industry's best.

1979 gains in operating income were also reported by Tenneco's construction and farm equipment, chemicals, agriculture/land management, packaging, shipbuilding, and life insurance divisions.

Continued increases in energy investments and earnings growth of at least 10 percent are anticipated for 1980.

For a copy of Tenneco's 1979 Annual Report, write to Dept. FT-1 Tenneco Inc., Houston, TX 77001.



Tenneco drilling rigs probe for oil and gas in the Williston Basin, a geologic area in Montana and the Dakotas. During 1979, the Company discovered or developed six new fields in this basin, where Tenneco's leaseholdings now exceed 1 million acres.

FINANCIAL HIGHLIGHTS

(Millions except per share amounts)	1979	1978
Net sales and operating revenues	\$11,209	\$ 8,762
Net income	571	452
Earnings per share of common stock—		
Average shares outstanding	5.30	4.39
Fully diluted	5.16	4.17
Capital expenditures	1,477	1,008
Total assets	11,631	10,011
Year-end dividend rate	2.40	2.20

Tenneco

TENNECO COMPANIES IN THE UNITED KINGDOM INCLUDE:

ALBRIGHT & WILSON LTD. J I CASE COMPANY LTD. DAVID BROWN TRACTORS LTD. GLOBE PETROLEUM SALES LTD. HARMON INDUSTRIES
POCLAIN LTD. TENNECO CHEMICALS EUROPE LTD. TENNECO EUROPE, INC. TENNECO OIL CO. TENNECO WALKER (UK) LTD.

هكذا من العمل

Turkey set to improve debt repayment programme

BY METIN MUNIR IN ANKARA

A NEW TURKISH programme for liquidating suppliers' arrears of \$1.9bn, stipulating more palatable terms, will be ready by the end of this month.

Mr. Turgut Ozal, the Government's chief economic adviser, said in an interview that experts were working on new terms in the light of criticism and alternatives put forward by some suppliers.

"It's a difficult operation," he said. "I don't know what we will be able to offer."

The original programme was unveiled last January and found few subscribers among some 95,000 suppliers, most of them West German. It contained two alternatives—Turkish lira repayment in two years or U.S. dollars in ten years. The interest rate on repayment would be an more than 7 per cent.

It is unlikely that the Government's new terms will offer swifter repayment to the companies. However, according to Mr. Ozal, the following amendments are being considered:

- Repayment in the currency in which the debt was originally incurred. Under the current programme repayment was being offered only in U.S. dollars.
- Improvement of the interest rate of 7 per cent. The officials are considering different interest rates for different currencies.
- Liquidating small debts, in which neither of the options is attractive, right away.
- Exemption from tax and other dues for those who opt for the Turkish lira repayment scheme.
- Expanding the fields in which

those who select the Turkish lira option can use their funds in Turkey; and,

- Offering the current exchange rate for those who opt for the Turkish lira repayment. Under the current programme the exchange rate offered was 47.10 Turkish lira for the dollar. The official exchange rate is 73.70 per dollar.

The Government estimates that between 30 and 40 per cent of the total sum involved has already been settled under the table by private Turkish creditors.

The April 23 deadline for suppliers to choose between the two methods of payment offered by Turkey was officially extended to June 23. It is understood that after the new programme is unveiled a further extension will be granted.

Saudi to expand rail system

BY ANTHONY McDERMOTT, RECENTLY IN DAMMAM

THE SAUDI Government Rail Road Organisation (SGRRO) intends to spend 4.7bn Saudi riyals (\$835m) on the development and extension of new lines and the purchase of rolling stock during the next five-year plan, due to be launched next month.

This reflects a growing official awareness of the acute need to supplement the meagre road system and the busy routes of Saudi, the national airline. Under the previous development plan 276.5m riyals was allocated to the development of the railways.

At present, the SGRRO operates a single track of 571 kms. between Riyadh, the capital, and Dammam, the Gulf port town on the east coast. There are additional branch lines and spurs of 140 kms. The line's construction was undertaken by Aramco between 1946 and 1951. Traffic has, on the whole, been light, with 264,000 passengers carried in 1978-79 and freight at 1.4m tonnes. In 1980-81 the number of passengers is expected to rise to 350,000 and freight to 3.1m tonnes.

The main targets of the SGRRO's development plans are:

- Completion of the re-laying of 250 kms of existing track

by Archirodon of Greece (at a cost of 285m riyals); the construction of a high-speed, direct link between Hofuf and Riyadh, cutting the overall journey from seven to four hours (Technical of Italy completed the studies for this last September); and the doubling of the line between Dammam and Hofuf.

- Increasing the capacity of the existing line, in particular freight haulage, to 8m tonnes by 1985. At present the SGRRO owns 18 line haul locomotives, 1,523 freight cars, and 58 passenger coaches of which 18 were delivered last year by the Schlieren-Schindler group of Switzerland. Over the next five years the SGRRO intends to buy 50 locomotives, 1,300 freight cars, and 20 passenger coaches.
- Additional SGRRO lines including a 100 km link between Dammam and the industrial zone of Jubail to the north.

In subsequent plans, the Ministry of Communications, for whom the SGRRO acts as the operator, aims to link Riyadh with the west coast port of Jeddah via Mecca (1,200 kms); Mecca with the Yanbu industrial zone via Medina (500 kms); and to develop international lines along the east coast between Iraq and the United Arab Emirates.

The best known project is the



Eximbank gets Peking loan approval

WASHINGTON—President Carter has authorised the U.S. Export-Import Bank to finance loans to China that will help sell U.S. goods there.

Under U.S. law, the President must decide that it is "in the national interest" before such loans can be made to a Communist country. He has done so in the past for the benefit of trade with Yugoslavia, Poland, Hungary and Romania.

When Vice-President Walter Mondale visited China recently, he suggested that the U.S. would make \$2bn available to China over five years. The Export-Import Bank had a total budget of \$2.9bn last year, but not all its money goes out on loans—it often guarantees loans by private lenders.

Mr. Thibault de Saint Phalle, one of the Bank's three directors, said in an interview that it would take some time for the Chinese to decide what kinds of imports they want to finance with loans from the Bank. He pointed out that China has been isolated from the international financial world for many years.

Congress, which has not yet approved the bank's current budget, will now have to consider whether it wants to make additional money available to help China, he said.

Plan to help small exporters

By Our World Trade Staff

THE London Enterprise Agency (LEA) is launching a major drive to help small companies get into exporting.

The agency—set up a year ago by large companies to help smaller ones—is to stage an exhibition at London's Festival Hall in September to promote consumer goods which small companies want to sell overseas. This initiative has the support of the buying offices of several leading overseas department stores, which are keen to establish contacts with small companies producing high quality goods.

The emphasis of the exhibition will be on high quality and original products—mainly giftware, clothing and foodstuffs. The agency considers these have the highest export potential, given the depressed state of world trade and the current strength of sterling.

As part of its drive to increase the number of small companies involved in exporting, the agency is in joint forces with the London Chamber of Commerce and Industry to organise a series of seminars on exporting. The first, which will be on June 4, will concentrate on export finance which is regarded as one of the major obstacles for small companies. Other seminars will deal with documentation and export services.

CHINA'S DEFENCE NEEDS

No immediate prospects for big U.K. orders

BY REGINALD DALE

BRITAIN hopes to win a number of military contracts in China as the country modernises its armed forces, but dramatic new arms deals, such as the sale of Harrier jump-jet combat aircraft, are unlikely in the immediate future.

That is the clear impression understood to have been gained by Mr. Francis Pym, the Defence Secretary, in talks with Chinese political and military leaders. Mr. Pym returned to London last week after a five-day trip to China which included a visit to the Society of British Aerospace Companies exhibition in Shanghai.

The Chinese made it clear to their British visitors that their first priority was to modernise existing military equipment,

including tanks, ships and aircraft. While they would like to buy new military equipment, such as the Harrier, their supplies of foreign currency would not be able to buy as many Harriers as the UK is interested in selling.

The Government, nevertheless, believes that British companies can do good business by participating in the modernisation programme. The 66 companies represented in Shanghai are said to be confident that the exhibition will lead to further contacts and possibly also sales of aerospace equipment.

The British Government team was also encouraged by China's request to set up a procurement

office in London to smooth the way for purchases of British goods. The office, with a staff of 10 to 12 persons, is expected to open shortly—as soon as full clearance has been given by the British authorities.

It will liaise with Peking over possible purchases of both civil and military equipment.

Tony Walker writes from Peking that the International Trust and Investment Corporation, set up last year to attract foreign investment to China, has signed 12 agreements with foreign companies, according to a member of its board of directors.

Mr. Jing Shuping said that the agreements covered joint ventures, joint production and compensatory trade, and con-

tracts for a repair service for foreign vessels, machine building and rubber production were being drafted.

It was announced last week that a 20-year manufacturing agreement had been signed between China and two foreign companies—Schindler Holdings of Switzerland and its Asian marketing arm, Jardine Schindler (Far East) Holdings. China's Foreign Investment Commission has not yet announced final approval for any joint venture agreements, but the announcement of the Schindler deal, which anticipates a June start-up, and Mr. Jing's statement, suggest the Chinese may be about to give clearance for a number of joint projects.

Mitel wins N. Yemen contract

BY OUR WORLD TRADE STAFF

THE UK-BASED subsidiary of a Canadian company, Mitel, has signed a contract for the supply of telecommunications equipment to North Yemen.

The initial order for switching equipment under the contract is worth \$200,000.

It is one of the first contracts awarded to a British company since the ending earlier this month of an unofficial but damaging embargo on British exports to the country, which has hampered the operation of British companies in North Yemen, followed the impounding of a Yemen Airways Boeing 727 at Heathrow Airport for 47 days over the alleged non-

payment of a debt to British Midland Airways.

The contract with the Slough-based company, Mitel Telecom, is part of a process of providing public exchanges in every village in North Yemen, connected to the main switching centres by high frequency radio links. The company says the contract could involve supplying up to 2,000 systems in the next five years, though the initial contract provides for 22.

Meanwhile, Lancer Boss, the Leighton Buzzard-based lift truck manufacturer, has won an order worth \$750,000 to supply 19 frontlift trucks to the Sudanese Sea Ports Corporation for use at Port Sudan on the Red Sea.

The frontlift trucks, whose capacity ranges from nine to 37 tonnes, are part of a project by the British Overseas Development Administration to modernise and expand the capacity of Port Sudan, the country's only modern port.

Octopus Electrical, based in Shrewsbury, has obtained a contract worth \$750,000 for the supply of prefabricated wiring systems for flats in Iraq.

Octopus Electrical, which is a subsidiary of Rists, says it obtained the contract after eight days of intensive negotiations.

Afghan-Soviet goods pact

MOSCOW—Afghanistan has signed an agreement covering supplies of consumer goods from the Soviet Union this year, the Soviet press has reported.

The agreement was signed by Mr. Nikolai Patolichev, the Soviet Foreign Trade Minister, and Sulaiman Ali Khatmand, Afghanistan's Second Deputy Prime Minister, after talks in Moscow.

The agreement followed recent talks in Czechoslovakia where Mr. Khatmand and Mr. Rudolf Roubicek, the Czechoslovak Prime Minister, signed a protocol on trade exchanges for 1980 and discussed economic projects for the future.

Reuter

Brazil is this year's special guest at Hanover... Come and be Brazil's special guest, too!

You don't have to leave Europe to discover Brazil, the leading market of the Southern Hemisphere and this year's special guest at the Hanover Fair with over 160 exhibitors to welcome you.

Here is a unique opportunity to learn more about Brazil—its quality products, its participation in Latin American, African, and Middle East projects, and why hundreds of European, American, and Japanese companies have profited from investing in this rapidly growing South American giant.

Brazil is the world's 5th largest country, 7th largest in population, 8th in the Western World in GNP and industrial production, and excels in agriculture and stockbreeding.

Brazil has a hydro-electric potential of about 209 million kilowatts, is a world leader in alternative renewable energy resources aimed at substantially reducing oil consumption, and possesses vast mineral wealth. Its steel, petrochemical, automotive, aeronautical, construction, and shipbuilding industries are highly developed. Importers the world over are attracted by Brazil's ever-growing range of quality products, with tailor-made financing

provided by Banco do Brasil, one of the world's major commercial banks operating some 60 branches abroad.

Companies of all sizes are attracted by Brazil's market economy, business climate, opportunities for joint ventures, expanding consumer market, and enormous growth potential stimulated by a government policy focusing on free enterprise.

Discover for yourself the many products and investment opportunities Brazil has to offer. At Pavilion 20. As we say in Brazil, "A casa é sua." ("Make yourself at home")

BANCO DO BRASIL



Egypt considers phosphate bid

BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE EGYPTIAN Government is seriously considering a proposal drawn up by the Occidental Petroleum group for the exploitation of phosphate deposits around Ann Tartour in Upper Egypt, west of the Nile.

The cost of the project is put at \$1.5bn (£700m), one-third of it to take into account inflation. The figure also takes account of the necessary infrastructure (accounting for about half) including a township, a railway to the Red Sea and port facilities at Safage.

Mr. Mohammed el Sayeh, the Minister of Economy, regards the scheme as one of Egypt's most important development projects and is optimistic that the necessary finance can be found. The World Bank has already aided a pilot plant that was sufficiently encouraging for Occidental, in conjunction with Sofremin-Alsuisse, to show an interest.

Taylor Woodrow of the UK, Entropos of France, and Kaiser Engineering of the U.S. are understood to have shown interest in bidding for the construction work if the project goes ahead.

Occidental declined to comment on its involvement last week. It is understood from other experts associated with the study that its main interest in the project is with the management of the construction and the marketing of surplus production not required by Egypt, but some equity participation is apparently not ruled out if the scheme is judged to be commercially viable.

Oxychem, a part of Dr. Armand Hamer's group, is the third largest phosphate rock miner in the U.S. Another subsidiary, International Ore and Fertiliser, claim to be the biggest dealer in raw materials world-wide.

Though not particularly rich in quality and far from the coast, Ann Tartour phosphates have long been considered to have commercial potential. Currently the market prospects look good.

The proposal is to process 3m-5m tonnes of the ore annually and process 1.6m of neoficiated rock to produce 175,000 tonnes of triple superphosphates and 350,000 tonnes of phosphoric acid.

SHIPPING REPORT

BSC recovery to help cargo shippers

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE ENDING of the UK steel strike has given a welcome fillip to the section of the dry cargo market that has traditionally relied on the British Steel Corporation as a customer.

The UK imports around 16m tonnes of iron ore a year, most of which comes in large 120,000 dwt ore carriers, and may be imported as much as 3m tonnes of coal in the forthcoming year. In addition, it uses smaller ships for steel exports.

The BSC estimates that it arranges around 1,000 shipping movements, or fixtures, a year, and the prolonged steel strike was beginning to hurt the smaller short sea operators which account for around two-thirds of BSC's total fixtures.

In the rest of the dry cargo markets freight rates continue to be firm. Denholm Coates reports that apart from the Gulf/Continent grain rate, which is hovering around \$18 per tonne, rates in virtually every other market for ships of between 20,000 dwt and 120,000 dwt have risen strongly over the last week.

The Hampton Roads/Japan coal rate for a 50,000-tonner is standing at around \$23 per tonne—over a quarter up on levels at the end of last year. The U.S. Gulf/Japan grain rates for similar vessels are \$23 per tonne.

In its latest market report, Matheson Chartering says that

Agenda

1. The Board of Directors' Report on the Company's activities in the year ended 31st December 1979.
2. Presentation of the financial statement, auditors' report and consolidated group accounts.
3. Resolution concerning adoption of the profit and loss account and balance sheet, including the discharge of management and directors from their obligations in this respect.
4. Resolution concerning the application of profit in accordance with the adopted accounts.
5. A suggestion from the Board of Directors to change articles 4, 12 and 14 of the Articles of Association of the Company.
6. Election of members to the Board of Directors.
7. Appointment of auditors.
8. Proposals, if any, from the Board of Directors or from shareholders.

NOVO INDUSTRIALIS

The Annual General Meeting of the Company will be held on Thursday 24th April, 1980 at 4 p.m. at Hotel Sheraton, Vester Sogade 6, 1601 Copenhagen V.

The proposal from the Board of Directors under point 5 in the agenda is as follows:

ad Article 4. According to article 4 a) the Board of Directors is authorized to increase the share capital by a total of Kr. 5,497,000 in B-shares by offering rights of subscription to the Company's employees, without any such rights being preferentially granted to the old shareholders, at a price of 105 per cent. It is proposed that this authorization be increased to Kr. 10,000,000.

It is further proposed to authorize the Board of Directors, without any such rights being preferentially granted to the old shareholders, to increase the share capital by a total of Kr. 20,000,000 in one or more stages in connection with take-over, wholly or partly, of an existing enterprise.

The Board of Directors has at present no plans to take over such enterprise but wishes through the proposed change to obtain flexibility to take advantage of favourable opportunities, which might arise.

ad Article 12. It is proposed to delete the provision concerning election of a deputy member to the Board of Directors. This should be seen in connection with the suggestion below to increase the number of members of the Board of Directors.

ad Article 14. It is proposed to increase the number of members of the Board of Directors from 4-7 to 5-8 and to delete the provision concerning the election of a deputy member. Also the Board of Directors proposes that the age limit of 75 years be deleted. The Board will through appropriate provisions in the Board's Rules of Procedure implement a change from the present age limit to an age limit of 70 years.

The Board of Directors proposes that the Chairman of the General Meeting be authorized to make such changes to the items considered in point 5 in the agenda as may be requested by the Registrar of Companies in order to have the proposed variations in the articles entered into the Registry of Companies.

The attention is drawn to the fact that the adoption of the above proposals is subject to shareholders representing at least 2/3 of the total number of votes in the Company being represented at the General Meeting, and to at least 2/3 of the votes cast as well as of the voting capital represented at the General Meeting being in favour of the proposals.

Admission cards and voting papers are available for collection or by postal application at the Company's office, Novo Allé, DK-2880 Bagsvaerd on all business days from 8th April to 18th April, 1980 both days inclusive between 10 a.m. and 3 p.m.

Where shares are registered under the holder's name admission cards and voting papers will on application be issued directly to a shareholder (stating the serial numbers and nominal value of his shares). In respect of other shares, admission cards and voting papers are issued against production of the share certificates or any other documentation considered in the opinion of the Company to be satisfactory, e.g. a written statement from a bank approved by the Company to the effect that the shareholder has deposited share certificates identified by serial numbers and nominal value, in the bank, that the shares bear no endorsement to the effect that they have been registered under the holder's name, and that the shares will remain deposited in the bank until the day after the General Meeting for which the shareholder requests an admission card. Unless the shareholder specifies, an address where the admission card shall be sent to, the admission card must be collected at the Company's office not later than 23rd April, 1980.

The agenda, the complete proposals and the financial statement, auditors' report and the consolidated group accounts will be available for inspection by shareholders at the Company's office from Wednesday, 16th April, 1980. The financial statement etc. are available from the Company or Morgan Grenfell & Co. Limited, Registrars Department, 21 Austin Friars, London EC2N 2HB as from 9th April, 1980. However, the financial statement will be sent to the shareholders whose shares are registered under the holder's name in the Company's register of shareholders.

The dividends declared at the Annual General Meeting will be paid (less 30 per cent dividend tax) from Friday 25th April, 1980 against delivery of coupon number two. Payment will take place at Copenhagen Handelsbank, 2, Holmens Kanal, DK-1091, Copenhagen K., Denmark.

Information on the special taxation rules applicable to shareholders resident in the United Kingdom or the Republic of Ireland may be obtained from the Company or from Morgan Grenfell & Co. Limited.

Bagsvaerd, April, 1980
Signed by the Board of Directors



UK NEWS

NEB in genetic engineering venture

By David Fishlock, Science Editor

A PLAN to create a company based on Cambridge genetic engineers is to be put before National Enterprise Board directors within a few weeks. It involves the Laboratory of Molecular Biology, funded by the Medical Research Council. The plan envisages a research-based company structured to offer large manufacturing companies, such as pharmaceutical concerns, expert service in the new technology of genetic engineering.

NEB executives believe this arrangement could transfer technology more rapidly from laboratory to industry, and alert industry more readily to implications of research in a fast-moving subject. Scientists associated with the venture include Dr. Sydney Brenner and Dr. Claus Milstein. Dr. Brenner pioneered computer mapping of nervous systems, and monitoring genetic control of living organisms.

Dr. Milstein developed a method to modify genetic material which promises to be valuable for making specific, consistent antisera in quantity for the first time.

The MRC sees Dr. Milstein's techniques as perhaps the most important methodological development in immunology in recent years. The technique appears able to make a wide range of drugs for diagnosis and treatment of disease.

Attempts to gain commercial support for large-scale production of antisera, as a by-product of the Cambridge research effort, failed when the National Research Development Corporation concluded that Dr. Milstein's method of genetic engineering by cell fusion could not be patented. Britain may have lost valuable patent rights.

The NEB company will be a joint venture with financial institutions, excluding the NRDC, with investment of about £2m a year initially.

Council 'broke law' by house sales

By Robin Pauley

ALLEGATIONS that Nottingham City Council lost up to £1m under Tory control in 1977-78 through "unlawful" council house sales have been lodged with the district auditor.

The objectors say that half the alleged loss was caused by leaving large numbers of council houses empty and on offer for sale instead of rent.

The eventual loss on more than 5,000 houses sold between 1976 and 1979, when Labour regained control, could be £75m at 1977 prices, they claim.

But under the audit system the district auditor cannot take long-term losses into account, and must confine himself to losses incurred in the financial years he is examining, in this case 1976-77 and 1977-78.

The district auditor is expected to hold public hearings in May or June into the four main objections to the council's accounts, which are:

● Nearly £500,000 was lost in rent and rates on houses left empty in 1977-78 due to an

"unlawful policy" of offering all relate and new houses for sale.

● More than £250,000 was lost on sale of 263 houses in 1977-1978 because sale prices were not adjusted over the year to allow for inflation.

● More than £250,000 was lost on sale of 47 new houses on two new estates.

The council sold more than 5,000 houses in 1976-79 for £40m without any financial appraisal setting the gains against loss of future rent income.

The objectors say that the council's house sales policy went beyond its pledge to sell to sitting tenants. In February, 1977, it put all houses up for sale, both relets and new houses, as soon as they became vacant.

This was in spite of Government advice that "the first duty of a local authority is to ensure an adequate supply of rented dwellings. In areas where there are substantial needs to be met for rented dwellings, as in the larger cities, it is generally wrong for local authorities to

sell council houses." The objectors say that the council broke the law by not considering what the government of the day was advising.

Nottingham was designated a housing stress area in 1977, when it had one of Britain's largest outstanding clearance programmes, with more than 4,000 families waiting to be rehoused.

"As a result of the sales policy, clearance families had to be offered an official list of difficult-to-let dwellings which were mainly in unpopular flats complexes," says the notice of objection to the accounts.

If the district auditor agrees that an item in the accounts is contrary to law, he may apply to the High Court for a declaration to that effect.

The court can order anybody responsible for incurring unlawful expenditure to repay all or part of it. Any councillor required to pay more than £2,000 can be disqualified from office for a specified period.

Housing cash shortfall at GLC

By Andrew Taylor

THE HOUSING and policy resources committees of the Greater London Council will meet in a special joint session on Thursday to decide what cuts should be made in the council's housing programme for 1980-81 in the light of the Government's spending proposals.

Mr. George Tremlett, leader of the housing policy committee of the Conservative controlled council said: "We need £270m to carry out our intended programme for this year but the Government has authorised only £165m."

"We are already contractually committed to £132m for the year and there is £5m overhanging from last year to take account of. Effectively we are left £27m."

The council is seeking Government permission to use £25m of its capital profits from property and land sales in addition to its housing investment programme allocation for 1980-81.

All councils will be able to supplement their annual investment programme allocations by capital receipts from April, 1982.

"If this does not materialise we shall have to decide what our priorities must be. It may well be that we shall have to limit our home loans to a very few special categories in order to keep other sections running," said Mr. Tremlett.

"The implications are that new building will decrease, and that could have serious staffing implications. Also we would not be able to begin new initiatives with housing associations and co-operatives."

Extended advertising curb that may go up in smoke

THE TOBACCO INDUSTRY is still firmly resisting renewed attempts by the Department of Health to negotiate tougher curbs on cigarette advertising.

A meeting between the tobacco companies and Department of Health officials is expected to be held in the next few weeks, and a compromise agreement is still likely to be produced.

The narrow gap between negotiating positions adopted by both sides was shown by the fact that an agreement was almost concluded shortly before the Budget. A last-minute hitch in the negotiations forced postponement of the crucial final meeting.

This last-minute hitch is believed to centre on size and positioning of the new health warning to be printed on all cigarette packs.

The tobacco companies are understood to be refusing to have the warning printed prominently on the front of each pack, rather than on the side as at present.

Although this is a crucial area of the negotiations, the tobacco industry fears that the longer the talks drag on over this issue the greater encouragement it gives to Sir George Young, Health Under-Secretary, who is leading the talks, to hold out for even more concessions from the industry.

The three-year voluntary agreement on cigarette advertising, which came to an end last month, will continue until a new agreement is made. But if both sides now decide to compromise no further, the end result is unpredictable.

The Government would be forced either to take statutory powers to ban all cigarette advertising, an extremely unlikely move, or by default allow the tobacco companies to have greater freedom to advertise their products than they have had for several years.

Already both sides have compromised considerably in three months of negotiations.

Sir George's fervent dislike of smoking encouraged the Department of Health officials to start their negotiations from the extreme stance of a total ban on all advertising, voluntarily agreed by the tobacco industry.

The companies initially were reluctant to move further from the existing agreement, which bans all cigarette advertising on television and advertising of middle to high tar/yield cigarettes; limits cinema advertising to X certificate programmes only; and imposes a number of other minor restrictions on the industry.

But the industry has acknowledged the strong anti-smoking pressures building up, because of the alleged harmful effects on health, and so agreed to tighten up the present advertising restrictions.

It is believed that the industry is prepared to abandon the remaining television advertising of cigars and pipe tobacco, and possibly to curtail its cinema advertising. It is understood to be prepared even to curtail slightly its heavy expenditure on poster and Press advertising.

The companies are reluctant to go very far on more prominent displays of health warnings on individual cigarette packets.

The industry feels that the time has probably come to dig in its heels and stand firm. As Mr. Andrew Reid, chairman of Imperial Tobacco, has said: "No industry should be forced into a position where its freedom to protect its market share and to improve its profitability is hampered and hog-tied by Government decree."

Sir George and his officials must also feel that they have a strong case not to compromise further.

Despite the electorally significant fact that some 18m adults smoke cigarettes and 2m adults smoke pipes, the anti-smoking lobby is aware of guilt feelings some people have while smoking.

The Department is also aware of the effect on public opinion of pointing out that it is advertising of cigarettes rather than smoking that they are trying to curb.

To the average smoker there must be more than a smacking feeling that if the tobacco companies are forced to stop spending sums estimated by some sources at £35m a year on advertising, the price of cigarettes could be reduced.

But with some 70 per cent of the price of a packet of cigarettes going on Excise duty and VAT, even cuts of all advertising would do little to reduce the price.

Surveys have shown that most advertising does not substantially increase total cigarette consumption but promotes brand loyalty.

A total ban would virtually freeze present market share positions of companies. Imperial is dominant with more than half the market, followed by Gallahers, Rothmans, B&W and Philip Morris—and hinder competition between these companies.

Second, it would mean that cigarettes became virtually just a commodity sold on price differences alone. Consumer choice would thus effectively be ended—and there are some significant differences at present between brands, apart from such factors as filter-tips, or "king-size" cigarettes, and so on.

Since the Government is committed to increasing competition and at least maintaining consumer choice, it is likely to consider the effects of a total ban on cigarette advertising not just as a means of curbing sales but also as a way of ensuring a low tar yield.

Imports upset plastics federation

By Sue Cameron, Chemicals Correspondent

OVER 1500 tonnes of imported plastic coathangers came into the UK each year, mostly from the Netherlands and Italy, according to a report about to be published by the British Plastics Federation.

The report is designed to help UK plastics processors combat rising imports by pinpointing areas where home-produced goods could be substituted.

It gives a detailed analysis of those imported plastic items, worth £77.4m last year, which earlier British Plastics Federation studies have classified under the heading miscel-

laneous.

Based on a survey of plastic goods imported into the UK in March and May last year, the report says items like coathangers could be made "just as competitively in British factories."

"The familiar argument that imports have made such headway on the home market because they are from countries of low-cost labour is shown to be a false one in this instance."

In March last year the UK imported 162.4 tonnes of plastic coathangers, 45 per cent of

them coming from the Netherlands.

The figure for May was 136.2 tonnes, with 55 per cent coming from the Netherlands, 15 per cent from Italy, 15 per cent from Sweden and 10 per cent from West Germany.

Last year a total of 164,000 tonnes of all plastics goods—worth around £253m—was imported into the UK.

The report reveals that this included 12.6 tonnes of plastic back scratchers, sex aids, teats, toothpicks, face shields, inhalers, sanitary articles, disposable gloves and plastic hangers.

New companies 'may not create many jobs'

By Anthony Moreton, Regional Affairs Editor

THE POPULAR belief that newly-formed companies can play an important role in creating new jobs is questioned by Dr. David Storey, of the Centre for Environmental Studies, in a paper entitled *Job Generation and Small Firms Policy* in Britain.

Dr. Storey, who also teaches at Durham University, says studies in four parts of Britain do not necessarily substantiate work in the U.S.

From an analysis of Clydeside, the West Midlands, the East Midlands and the county of Cleveland, he argues that not more than one new manufacturing job in every seven was created by wholly new establishments.

In the prosperous regions, about 30 per cent of new jobs were created by openings, about half of these being created by newly set-up firms.

In the assisted regions the figure of new jobs created by openings is much higher (70 per cent) but only 14 per cent could be attributed to wholly new establishments. The rest come from firms expanding.

Dr. Storey also says most new companies remain small even if they survive for a decade. Not one new company set up in Cleveland between 1965 and 1976 employed more than 100 people in 1976.

This experience was not unique to Cleveland. In the prosperous West Midlands, where the impact of new companies was greater, only two of 432 companies had more than 100 employees nine years later. And on Clydeside only 1.4 per cent of new concerns were over the 100 mark after nine years.

Dr. Storey does not deny that policies to assist small businesses are important or that small companies have shown a relatively impressive rate of employment growth. But "it has been shown that even raising substantially the rate of new-firm formation can have only a minimal impact on manufacturing employment, at least for a decade."

"If no offsetting actions are taken, its impact will be primarily in areas where the 'need' to create employment is least."

Changes in the rate of income tax are not likely to alter this situation, he claims. Cutting the marginal tax rate makes it more attractive for a potential entrepreneur to remain in salaried employment.

Job Generation and Small Firms Policy in Britain, by David Storey, Policy Series II, Centre for Environmental Studies, 62, Chandos Place, London, WC2.

chance that they will be banned.

● Townsend Thoresen is knocking off its normal five-day return fare for a car with two adults on all its Dover sailings during April. The new fare is £50 return.

Mr. Humphrey Atkins, Secretary of State for Northern Ireland, will this week have his first meeting with an Irish cabinet minister since the formation of the new Dublin Government by Mr. Charles Haughey in December.

It seems certain that Mr. Brian Lenihan, the Irish Foreign Minister, will press for government to government talks about Northern Ireland and will pressure the British Government to remove its guarantee that Northern Ireland will remain part of the UK for as long as the majority wishes it.

The talks will probably take place tomorrow.

Mr. Atkins refrained from discussing government to government talks during his constitutional conference aimed at exploring ways of devolving more political power to Northern Ireland. The talks were adjourned just before Easter.

Atkins to meet Irish minister

By Stewart Dalby

MR. HUMPHREY ATKINS, Secretary of State for Northern Ireland, will this week have his first meeting with an Irish cabinet minister since the formation of the new Dublin Government by Mr. Charles Haughey in December.

It seems certain that Mr. Brian Lenihan, the Irish Foreign Minister, will press for government to government talks about Northern Ireland and will pressure the British Government to remove its guarantee that Northern Ireland will remain part of the UK for as long as the majority wishes it.

The talks will probably take place tomorrow.

Mr. Atkins refrained from discussing government to government talks during his constitutional conference aimed at exploring ways of devolving more political power to Northern Ireland. The talks were adjourned just before Easter.



Australia's Gold Coast.

A unique investment opportunity

Probably, never again in Australia, will an investment opportunity like this present itself. 3800 acres, situated in the country's foremost real estate boom area. Virtually, in the heart of Australia's favourite tourist area, Queensland's Gold Coast, this land provides potential unlimited.

It is situated no more than 4km from the glorious Pacific Ocean, surf and the Gold Coast's 30km of white sandy beaches.

Where is the Gold Coast?

The Gold Coast is situated in south-east Queensland, only one and a half hours drive from the Brisbane International Airport. It is also well serviced by its own very busy jet airport, from which are operated commuter air services to Brisbane, and direct services to Sydney and Melbourne. Queensland is regarded as the premier growth State in Australia and the Gold Coast is the fastest growing area in the State.



What does the Gold Coast offer?

The Gold Coast, with its magnificent beaches and inland canals and waterways, compares favourably with any other place in the world, offers unlimited sailing,

surfing, swimming, boating, water skiing and fishing, and is a haven for tourists. There are many man-made facilities such as golf courses, zoos, gourmet restaurants and nightclubs, to fully involve tourists in a wide variety of relaxing and interesting things to do.

Then there are these special features that make up a perfect formula for successful hospitality trade: a sub-tropic climate, cool, prevailing breezes from the north-east and the south-east, coming straight off the blue Pacific, a summer average of 28° Celsius, in winter 22°, and 139mm of rain annually.

It has been summed up as Miami in its adolescence and has many of the features of the French Riviera with foothills and ranges flanking the coastal strip from behind, a first-class boating marina, beautiful ladies who have become an essential part of the landscape and the special holiday atmosphere of total abandon.

Yet the Gold Coast hasn't become over-served with tourist facilities, or residential developments. Continuing growth will demand more housing, international class hotels, perhaps a casino, international resort complexes and large sporting facilities. In fact, this land parcel lends itself to just about any concept the imagination can conjure up.

Strategic position

This is the largest amalgamation of land situated so close to the booming heart of the Gold Coast. It comprises 27 separate titles with a total area of 1545ha. Any further major development of the coastal strip will probably need to involve this land. Because of its size and location, it is probably the most strategic land parcel on the Gold Coast today.

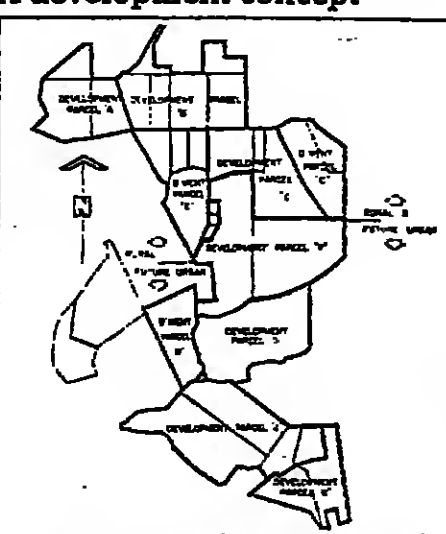
Who is the vendor?

The vendors are the Receivers for the Associated Securities Group being partners in the Australian national accounting firm of Hungerfords Chartered Accountants.

The Company in receivership is A.S.L. Developments Limited (Receivers and Managers Appointed), which was part of the Associated Securities Group.

A.S.L. was a major land developer in its own right and had designed development for this site, which is known as the Merrimac project. The receivers for the Associated Securities Group have a prime responsibility to realise assets for the benefit of secured creditors and cannot, therefore, continue to outlay funds to develop such a large land holding and consequently they are obliged to offer it for sale.

A development concept



A concept plan was drawn up prior to A.S.L. going into receivership, and development of Stage One was ready to begin. Thus the ground work has been done and local authorities approved and welcomed the concept plan. The plan provided for the land

to be primarily used for residential purposes, and in this manner would cater for a population of the order of 27,500 people, together with necessary supporting land use allocations, such as schools, neighbourhood shopping, parks and open spaces. The residential areas include extensive lake and waterfront developments, as well as elevated parcels with extensive views. In addition, there is provision for more sophisticated land uses such as large commercial centres, hotels, sporting complexes, etc.

How is the land to be sold?

In view of the fact that it is such an exciting and strategic land parcel, it will certainly attract a great deal of interest from investors not only in Australia, but also elsewhere. Accordingly, it has been decided to offer the land for sale on a tender basis worldwide. These tenders will close at 12 noon, 31st August 1980.

All enquiries concerning the offer of this land for sale by tender, including arranging on-site inspections, etc should be addressed to: The Receivers Accredited Marketing Agent—Mr. G. Wilson, Chief Executive, Land Sales Division, Ray White Real Estate Pty. Ltd., 12th Floor, 260 Queen Street, Brisbane, Queensland, 4000 Australia.

Tel: Office Hours After Hours (07) 31 2001 (07) 371 3543 (07) 229 6534

Telex: RAYWHI AA42053

London appointments

Mr Wilson will be visiting London from 15th to 20th May to discuss the project in detail with prospective tenderers. If you wish to make an appointment with Mr Wilson, please write to the above address as soon as possible.

RAY 3083

Treasury inflation forecast challenged

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SCEPTICISM about the economic assumptions underlying the Government's new medium-term financial strategy is expressed in some of the batch of stock-brokers' analyses published over the weekend.

Brokers James Capel argue, for example, that the strategy will have only a gradual impact on the inflation rate. The brokers question the relationship of monetary policy to expectations in the labour market. They suggest that the inflation rate will still be about 14 per cent by the end of 1981.

"Provided the targets are adhered to, and the UK has never experienced a period of monetary restraint lasting longer than two years, the rate of inflation might be expected to fall to 10 per cent in 1982 with a further fall in prospect for 1983."

In the short-term, James Capel suggest that the Treasury projection of a decline in the 12-month rate to 14 per cent by the end of this year looks optimistic and the brokers estimate that the rate will then be 18 per cent.

Brokers Phillips and Drew question whether the public expenditure plans published on Budget day will, in the event, leave room for tax cuts of anything like the amount suggested in the medium-term strategy. On the broker's assumptions the implied "fiscal adjustment" of £31bn in 1983-84 is reduced to a near-negligible £750m.

Brokers de Zoete and Bevan say the Budget strategy should

allow a modest relaxation of monetary policy, permitting a decline in short-term interest rates between now and the autumn.

The brokers say there is no evidence that this reduction will be large, nor that it will be sustained through the second half of the 1980-81 financial year. By then public sector borrowing may again be rising, reaching a level which threatens to be greater than the forecast outcome for the year.

In contrast, brokers Panmure Gordon conclude that a reduction in Minimum Lending Rate is unlikely before early June. But the firm is convinced that

the decline in short-term rates expected in the second half of 1980-81 will be sharp and MLR could have fallen to 13 or 13 per cent by the end of December.

Brokers Capel-Cure Myers believe that this month's statistics are likely to show that the monetary aggregates are coming more fully under control. "The main problem areas, however, remain the outlook for earnings and prices."

Allowing for the latest Budgetary measures, the inflation rate is unlikely to peak before May or June when the annual rate will be around 22 per cent.

Hambros offers legal costs cover

BY ERIC SHORT

HAMBRO Housley Heath, the insurance broking arm of Hambros the merchant banking group, is to go in for legal expenses insurance.

It is forming a new company, Hambro Housley Legal Protection, in conjunction with Strover and Co., an insurance broking firm based in Colchester. It intends to offer two insurance packages. The first offers companies legal protection covering employment, property, contracts, criminal prosecution and directors' and officers' breach of duty.

Besides providing the insurance to cover litigation expenses and any damage costs, the new company offers

employers a legal advisory service covering all aspects of their work which could involve legal proceedings, especially in the area of employee relationships. In particular, employers will be advised on fair and unfair dismissal procedures.

The second package makes insurance and advisory services available to employees as an employee benefit service, with the employer meeting the premium costs.

Consumers urge data safeguards

By Gareth Griffiths

THE CONSUMERS Association is to press the Government to introduce legislation to safeguard the use of personal information.

In its monthly magazine Which? the association suggests that legislation would be in everybody's best interests. Unless it is introduced, Britain could become "a haven for 'dirty data' — information illegal in its country of origin — it says. The association wants legislation to cover all records, not just those stored on computer tape.

Its recommendations go beyond the scope of the Government's 1978 Lindop report, which merely recommended controls on computerised data.

The association's scheme includes compulsory registration of all central and local government organisations storing personal information, together with many in the private sector; legally enforceable codes of practice; add a data protection authority.

The association says the cost of implementing the proposals would be quite small.

The Which? report says the most serious problem areas for possible abuse of personal information are local authority and medical records.

The report says a code of practice for medical records should be an urgent priority.

NEWS ANALYSIS—RAY PERMAN LOOKS AT WHISKY DISTILLING

Scotching bulk malt for Japan

A SURVEY of major companies involved in the controversial export of bulk malt whisky in Japan shows that relentless criticism by unions and several major Scotch distillers steadily opposed to the trade is having an effect.

Two Canadian-owned firms, Seagram and Hiram Walker, incorrectly identified by unions as main "offenders," have been turning away business and are restraining sales to Japan.

But they account for only a fifth of total bulk exports to Japan, with Hiram Walker taking about 12 per cent of the trade, and Seagram less than 8 per cent. At least three other UK-owned companies—Stanley P. Morrison, Whyte and MacKay and Long John International—have as large or larger shares.

They have escaped the full force of publicity and criticism, yet are also bending to public attacks, by unions and private lobbying within the industry. All three said at the weekend that they had held their volumes of malt to Japan and would not increase them, in spite of continuing strong demand.

These five companies, two Canadian and three UK, are estimated by industry sources to export about 80 per cent of total malt sold to Japan. The remainder is supplied by a handful of smaller, independent distillers, and some companies and brokers who buy malt whisky on

the open market and ship it themselves.

Smaller operators have been tempted to the trade, taking advantage of continued demand and low prices of mature malt whiskies in recent years.

This sector is less susceptible to pressure and appears to be increasing its business to make up the shortfall, because while major companies involved have reduced or are holding their volumes steady, Customs and Excise figures show that bulk malt sales to Japan rose marginally in 1979 to 8.3m proof gallons.

Bulk malt is used by Japanese distillers to improve the taste of their own blended whiskies. Opponents of the trade argue that by selling them Scotch, superior in quality and offering a wide range of flavours to penetrate the large Japanese home market with sales of bottled Scotch are reduced and there is a risk from Japanese exports to other important whisky markets.

This last fear is the most potent among opponents, who envisage that Japanese exporters may do to Scotch what the Japanese did to other British industries, such as television and motor-cycle manufacture.

Yet so far it is only a fear. Japan is the fourth largest whisky producer in the world, with 14 per cent, but the vast

majority of its production is consumed at home, exports are tiny and have been increasing only slowly.

In 1972, for example, Japan exported 54,000 cases of whisky, and the figure dipped to 38,000 in 1978. By 1978 it had risen to only 61,000 cases—around 0.1 per cent of the total of Scotch exports.

The NEDO working party, which examined the question 15 months ago, conceded that Japanese export efforts had been unsuccessful but mentioned "significant promotional effort" in the U.S. and Australia.

Mr. Steve McCann, chairman of Hiram Walker, believes that after trying "aggressive" advertising, particularly in America, the most important whisky market in the world, Japanese distillers led by Suntory have been disillusioned by results and are too long down their approach.

"There is no dynamism in Japanese exports. We are talking about peanuts, but this is what our critics would have us believe is the big threat to Scotch whisky," he said.

Mr. McCann also argues—a view shared by all major bulk exporters—that it is fallacious to believe that a reduction in bulk malt supplied to Japan would lead to a corresponding rise in bottled exports of Scotch.

The Japanese, who have made

whisky for 50 years and have some of the largest distilleries in the world, have too firm a grip on their own home market to be dislodged and have the size and stocks to be able to phase-in taste changes.

An overnight end to bulk sales would not mean a dramatic fall in the quality of Japanese "special class" whiskies, which are about half of total sales in the country and compare most closely with Scotch.

No other issue in the whisky industry has provoked as much heat at the bulk malt controversy. It divides the Scotch Whisky Association, and even the Government finds it difficult to come to a firm view on the subject.

The opponents of the trade were not able to produce any convincing evidence to support their case for a statutory or a voluntary restriction on sales, yet it appears that their campaign is having an effect.

Hiram Walker and Seagram are reducing their exports to Japan from Scotland but are building distilleries elsewhere in the world to supply Japanese and other bulk markets with malts.

The Japanese, themselves have also become concerned at the uncertainty. At least one company has begun to buy "fillings," new spirits which will be matured in Scotland, in order to ensure continuity of supply.

National Insurance rates rise this week

BY ERIC SHORT

HIGHER RATES of National Insurance contributions take effect this week. Basic rates rise by 0.25 per cent for employees and by 0.2 per cent for employers.

In addition, higher-paid employees and their employers, will pay more because the earnings ceiling has been raised.

Employees fully in the State scheme will pay 6½ per cent on earnings up to a ceiling of £105 per week, and their employers 13.7 per cent, including the surcharge, up to the same ceiling.

Previously the rates were 6½ per cent and 13½ per cent respectively on earnings up to £135 per week.

Employees earning £165 or more a week will pay an extra £2.37 a week if they are not contracted out of the State scheme.

For contracted-out employees, the full rate is paid on the first £23 a week of earnings. There-

after the rates will be 4½ per cent for employees and 9.2 per cent for employers, up to the ceiling.

For a contracted-out employee earning at least £165 a week, the weekly rise in contributions is £1.60.

The self-employed will also pay higher contributions in almost all cases. The basic flat-rate contribution is lifted by 40p to £2.50 a week.

Although the basic rate for earnings-related contributions stays at 5 per cent for the self-employed, the band on which the contribution is levied is now based on annual earnings of £2,650-£8,300, compared with £2,250-£7,000 previously.

A self-employed person earning £8,300 or more a year will pay an extra £66.20 a year. Increases in Social Security payments announced in the Budget, will not come into force until the week beginning November 24. Contribution rates will be reviewed in the autumn.

Petrol prices help raise motorcycle sales by 27%

BY KENNETH GOODING

THE NUMBER of vehicles on British roads grew by nearly 4 per cent last year to 18.62m, according to the Department of Transport's annual census.

The biggest increase was in motorcycles, scooters and mopeds, probably caused by increases in the price of petrol. The number on the road rose by 8 per cent from 1.19m in 1978 to 1.29m last year.

There was a 27 per cent increase in new motorcycle registrations last year.

The number of private cars and vans increased by 3.5 per cent from 14m to 14.57m. This was mainly influenced by a record 1.7m new registrations during the year.

In spite of petrol price increases, motorists showed a continued preference for cars with medium-sized engines. The number of cars in the 1,201 cc to 2,000 cc range increased by 6 per cent from 8.53m to 9.03m, while the number of cars up to 1,200 cc fell from 4.2m to 4.1m.

There was also an increase in cars with engines above 2,001 cc, from 1.09m to 1.17m. The department estimates the average age of private cars and vans as five and a-half years. About one-third were imported. Since 1978 vehicle counts have been based wholly on the records held at the Driver and Vehicle Licensing Centre at Swansea, allowing more detailed insight into vehicle characteristics.

Vauxhall, the General Motors subsidiary, has delivered 20 per cent more cars to fleet customers so far this year than in the same period of 1979, according to Mr. Des Savage, director of marketing.

Recent fleet business, totaling £22.5m, includes orders from Avis, Swan National and Godfrey Davis among the car hire groups, as well as London Carriers and Granada TV Rental.

Mr. Savage claimed that availability of Vauxhall cars was at its best level for some time. During the first two months of 1980 the company had sold more cars in the UK than in any corresponding period since 1973.

The company gained more than 8 per cent of the market in February and March and it is to recruit a limited number of extra dealers.

2,000 building jobs at risk

SENIOR officers of Liverpool Corporation are worried that as many as 2,000 building workers in the municipal and private sectors could lose their jobs because of the city's housing crisis.

The unemployment rate in the building industry in the region is already one of the highest in the country. City councillors will review the position at a special meeting on Thursday when they consider action over the Government's cuts in the housing programme.

Liverpool is to get £47m in grant aid, £16m less than they asked for. As they overspent by £6m on last year's programmes, only about £8m is left for any new projects.

The city works department alone needs about £8.5m to keep its labour force fully occupied. The Corporation has already imposed a halt on all applications for mortgages and improvement grants, and has suspended land purchase and new building contracts.

IT DOESN'T TAKE MUCH TO TURN A WASHROOM INTO A PIGSTY

Just a gungy slither of soap that invariably ends up skidding around on the floor. Or a jammed roller towel that finishes up as a sodden piece of cloth trailing down to the ground. That's all it takes for a washroom to start turning into a pigsty.

Which is why Kimberly-Clark developed a washroom system that not only keeps itself in good working order, but also helps to keep the washroom clean.

For example, a soap dispenser that gives everyone a portion of soap that's touched no other human hand.

A hand towel dispenser that provides disposable paper towels. When you throw away the towels, you also throw away the germs.

And because it has no mechanical parts, there's nothing to break down. And finally there's our economical soft toilet paper, to make using the washroom feel a little pleasanter.

All in all very simple solutions, but ones we're sure you'd agree most people would prefer.

So you see, it doesn't take much to turn a pigsty back into a washroom.

KIMWIPES, KLEENEX, HI-DRI, KIMWIPER ARE REGISTERED TRADE MARKS OF THE KIMBERLY-CLARK CORPORATION. COPYRIGHT KIMBERLY-CLARK 1979.

Kimberly-Clark. Simple solutions to hygiene problems.

For a copy of 'Simple Solutions,' our guide to hygiene and safety at work, write to: Kimberly-Clark Limited, Department FT 84, Industrial Division, Larkfield, Maidstone, Kent ME20 7PS.

Cartier LTD.

OFFERS HIGHEST PRICES FOR JEWELLERY

Antiques and modern. Also antique silver. Immediate payment. Complete privacy ensured.

Write phone or call Cartier LTD. 175 NEW BOND STREET LONDON WY1 0QA 01-493.69.62

"I think I'll slip down to Athens on the quiet"



Detail from West Pediment of the Temple of Zeus—Olympic Museum.

On an Olympic Airways "Whispering Giant" A300 Airbus. The quieter, passenger aircraft of the future that whispers its way across the stratosphere between London and Athens every day of the week. It's big. Wider than most other aircraft it will fly you to the heart of Greece in hotel-style comfort. A quieter, more comfortable way to go. With the only airline that flies from London to the whole of Greece. And the Middle East and beyond. Your travel agent has all the details. By Olympic Airways O.K.

OLYMPIC AIRWAYS

The National Airline of Greece

UK NEWS - LABOUR

Teachers reject disruption curbs

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

TEACHERS yesterday rejected education authorities' plans to restrict their ability to disrupt schools by withdrawing from "voluntary" duties. The 2,000 delegates to the National Union of Teachers' conference in Blackpool voted unanimously against the employers' plan to obtain a promise from the teachers' unions to reach early agreement on defined working duties. The authorities want to reach an agreement during negotiations in the Burnham Committee, the joint forum which sets teachers' pay rates, on the Clegg Commission's report on the balance of the 1978-80 pay award. The commission's report, due to be published next week, is believed to propose that teachers should be expected to work about 37 hours a week during term time, of which ten hours should be devoted to supervising school meals and similar activities now considered voluntary. Mr. Jim Murphy, immediate past president of the 255,000-

member NUT, said the "sudden urgency" of the education authorities' attempt to tighten working conditions was clearly meant to forestall a ban on out-of-hours duties—which the teachers' unions used during disputes a year ago. "We are not going to accept it," he said to enthusiastic applause.

The union decided to continue meeting the employers in a working party on service and conditions, with the long-term aim of a working year of 190 days, with the equivalent of at least 38 days away from the classroom for preparation and marking.

The conference also expanded the union's scope for protest by removing its ban on action by members employed in special schools, such as those for disabled children.

The NUT executive has already said it will also give support to any of the union's branches which stage a half-day strike on May 14 in support of the TUC's day of action against Government economic policy.

Stores staff accepts

STAFF EMPLOYED in Littlewoods' 109 retail stores have voted to accept a two-stage pay increase giving rises of 5.5 a week, the Union of Shop Distributive and Allied Workers said yesterday. The first increase of 5.5 will be paid immediately, with a further 2.5 to be paid in June. The union said the increase would raise the national minimum basic wage for adult sales assistants to £55 for a 37½-hour week.

The deal, covering 19,000 staff, includes a special provincial rate of £56.75 for sales staff in 14 city stores. Other, inner and central London rates rise to £57.90, £60 and £70 respectively. All other job differentials are increased proportionately. Similar claims from the union are pending with Owen Lewis, and British Home Stores. The union settled for £55 with Woolworths.

Government may impose phased plan for Civil Service pay rise

BY PHILIP BASSETT, LABOUR STAFF

UNION DISARRAY over how to stage an 18.9 per cent pay increase for 800,000 white-collar civil servants is making it likely that the Government will impose staging arrangements without union agreement.

Some union officials think an announcement from the Government could be made as quickly as this week to bring in the staging arrangements by what is known in the Civil Service as administrative action.

The imposition of arrangements is likely to fuel attempts at the unions' national staff side to claim that the Government is ignoring the present pay agreement for political reasons, and that the unions should pull out of the Pay Research Union comparability system.

Staging the increases is necessary to bridge the 1.9 per cent average gap between the 16.85 per cent available to pay for

the increases from the cash limit for the Service and a new round of manpower cuts, and the average size of the agreed increases.

Leaders of the unions have been unable to agree what form the staging should take. A meeting of general secretaries and senior officials last week ended in disarray. The general secretaries will meet again today but little progress is likely.

The Civil Service Department is likely to impose one of the two main staging options which have support among members of the unions' national staff side.

The first is to defer payment of the whole amount to early May by moving the due settlement date from April 1. This could be the least expensive method of meeting the cost of the deal, though some union officials have doubts, because most Civil Service payments are made by computer and even an

April 1 agreement would not now be in pay packets until the end of May.

The second would give a large amount from April 1, with the balance in either July or August, depending on the size of the April 1 portion. One union is pressing for the April 1 payment to average 15 per cent.

There is some argument, too, for a range of different staging arrangements for individual unions. One union, the Institution of Professional Civil Servants, is so far behind with negotiations on new rates for its members, because its PRU reports were late, that it sees little advantage in agreeing to short-term staging at all.

While the imposition of staging might raise coverage delegates' hackles, some union officials acknowledge privately that it might be the least embarrassing way of resolving the inter-union disagreements.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	National Boys and Girls Exhibition (0532 620361) (until April 9)	Alexandra Palace Harrogate
Apr. 9-10	Educational Equipment Exhibition (01-247 8326)	NEC, Birmingham
Apr. 15-18	COMMUNICATIONS 80—Communications Equipment and Systems Exhibition (021-705 6707)	City Hall, Hull
Apr. 15-19	Ideal Home Exhibition (0272 338586)	Harrogate
Apr. 17-20	Tipping (vehicles) Convention and Exhibition (01-387 9711)	Earls Court
Apr. 19-21	Optifair '80 (01-405 8101)	Olympia
Apr. 21-25	International Fire, Security and Safety Exhibition—IFSSSEC (01-388 7661)	NEC, Birmingham
Apr. 22-May 2	International Machine Tool Exhibition—MACH 80 (01-402 6871)	Exhibition Centre, Leeds
Apr. 28	International Food and Wine Exhibition (05284 2442)	Wembley Conference Centre
Apr. 28-May 1	Audio Visual Exhibition (01-688 7788)	Blagley Halls, Birmingham
May 2-5	Spring Motor Cycle Show (04866 74987)	Exhibition Centre, Bristol
May 2-6	Boat Show (0272 657783)	Kennington Town Hall
May 3-5	National Collectors Exhibition (01-628 4917)	

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Title	Venue
Apr. 13-15	MODEXPO '80: International Ladies Fashion Fair	Geneva
Apr. 15-19	Transport—Expo '80 (01-486 1951)	Zurich
Apr. 18-24	Expo '80 (01-661 2151)	Paris
Apr. 18-24	International Sports Fair (01-486 1951)	Hannover
Apr. 21-25	World Tobacco Exhibition (0737 63611)	Zagreb
Apr. 21-26	Scientific and Measurement Apparatus Exhibition (INSTRUAMA) (01-235 5422)	Nice
Apr. 24-28	Perfumery and Cosmetics Exhibition	Brussels
Apr. 28-May 2	Biochemical and Instrumental Analysis Exhibition (ANALYTICA) (01-486 1951)	Bologna
May 2-9	Salon International du Textile et du Cuir (01-584 8837)	Munich
May 6-8	Compe Europe Exhibition (01-261 8000)	Casablanca
May 7-11	Scandinavian Furniture Show (01-540 1101)	Brussels
May 10-13	International Trade Fair for Optometry—OPTICA (01-409 0956)	Copenhagen
May 14-17	International Trade Fair for Traders, Valcanizers and Re-	Cologne
May 17-21	Industrial Equipment Exhibition	Essen
May 19-21	Mint Directors Conference and Exhibition (01-486 1951)	Brussels
May 20-23	International Petroleum Exhibition—PETROTECH	Utrecht
May 26-30	International Rubber and Plastics Exhibition (021-705 6707)	Amsterdam
May 27-30	Petroleum and Marine Environment International Conference and Exhibition	Singapore
		Monte Carlo

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Apr. 10-11	Brunei University: Coping with Conflict and Management Change (0895 56481)	Uxbridge
Apr. 11	Oyez—IBC: Media Research and the Advertiser—The Unexploited Factor (01-242 2481)	Hilton Hotel, W1
Apr. 14	Oyez—IBC: Consumer Credit Act 1974: New Orders and Regulations (01-242 2481)	Hilton Hotel, W1
Apr. 15	IPS: Controlling Purchasing Costs in an Inflationary Climate (0890 23711)	London Press Centre
Apr. 15	CCC: Letting Residential Property for Profit (01-222 6382)	Hilton Hotel, W1
Apr. 15-17	Food Manufacturers' Federation 8th Annual Conference: Food for Growth (01-336 2480)	Grosvenor House, W1
Apr. 9-11	Leads University: Manpower in Transport—Future Prospects (0532 35038)	Leeds
Apr. 14-16	URAEA (NCSA/Turkey) Software: Data Management for High Technology Industries (02407 3410)	Southport
Apr. 15	Chiltern Personnel Consultants: Practical Salary Administration (04946 4822)	Gerrards Cross
Apr. 15-16	M. G. Howitt and Ass.: Sales Promotion—Building Products and Services (0533 73400)	RIBA, W1
Apr. 16	Netherlands-British Chamber of Commerce: Holland—a profitable base for international operations (01-405 1358)	Accountants Hall, EC2
Apr. 16	IPS: Waste—Reclamation or Disposal (0890 23711)	Carlton Tower, SW1
Apr. 18	Oyez: Zero Base Budgeting—A priority Planning Approach to Controlling Overheads. (01-242 2481)	Carlton Tower, SW1
Apr. 18	Gower: 1980 Employment Bill... and After... A New Direction for Industrial Relations? (01-242 9485)	Royal Garden Hotel, W8
Apr. 18	CCC: New U.S./UK Double Tax Treaty—its Substance and Implications (01-222 6382)	Hilton Hotel, W1
Apr. 21-23	Institute of International Business Law and Practice: Arbitration and state courts (Paris 225-40-33)	Paris
Apr. 21-23	Oyez: London Insurance Conference (01-242 2481)	Grosvenor House Hotel, W1
Apr. 22	Gower: Trading with Zimbabwe (01-242 9485)	Waldorf Hotel, WC2
Apr. 23	ESC: Solving the Problems of Trade Unions in the Hotel and Catering Industries (057282 2711)	Cumberland Hotel, W1

Financial Times Conferences

World Electronics—Strategies for Success
Monte Carlo—May 5-7, 1980

The opening session will be devoted to the European electronics industry with papers by Dr. Friedrich Bauer, Executive Vice-President, Siemens AG; Mrs. M. Cantoni Bellisario, President, Olivetti Corporation and Dr. Robert Heikes, Vice-President International, National Semiconductor GmbH.

World Banking
Singapore—June 2 and 3, 1980

The opening speaker at this important annual conference, to be held this year in Singapore, will be Mr. S. Dhanabalan, Minister of State for Foreign Affairs, Singapore. Other distinguished speakers will include Mr. Roberto Ongpin, Minister of Industry, Philippines; Mr. James R. Greene, President, American Express International Banking Corporation, New York; Mr. Don Mentz, Director, Asian Development Bank, Manila and Enick Malek Ali Merican, Group Director of Corporate Affairs, Sime Darby Holdings Limited, Kuala Lumpur.

The conference will be supported by The Banker, Business Times, Singapore, and Singapore Airlines.

All enquiries should be addressed to:
Financial Times Limited
Conference Organisation
Minster House, Arthur Street
London EC4R 9AX
Tel: 01-621 1355
Telex: 27347 FTCONF G
Cables: FINCONF LONDON



Notice of an adjourned Meeting of the holders of the U.S. Dollar 8½% Convertible Bonds Due 1987

On 10th March, 1980, CompAir Limited ("CompAir") published in the *Financial Times* a Notice convening a Meeting of the holders of the 8½ per cent. Convertible Bonds Due 1987 ("the Bonds") to consider and, if thought fit, approve an arrangement which CompAir was proposing to Bondholders in connection with offers made by Imperial Continental Gas Association ("the Association") to acquire the share capital of CompAir (which offers were declared unconditional in all respects on 24th March, 1980). The time appointed for the holding of this Meeting was 11 a.m. on Thursday, 3rd April, 1980. At that time, the prescribed quorum was not present and the Meeting was adjourned to 11 a.m. on Tuesday, 6th May, 1980. In accordance with the Trust Deed constituting the Bonds, a Notice of this adjourned Meeting is printed below. At the adjourned Meeting the quorum will be two or more persons holding Bonds or voting certificates or being proxies and being or representing in aggregate the holders of not less than one-quarter of the Bonds.

The arrangement which CompAir is proposing to Bondholders at the request of the Association is in accordance with the Trust Deed constituting the Bonds and will entitle Bondholders to receive a consideration of:—

£714.41 in cash for each \$1,000 Bond

Any Bondholder who so wishes may (up to the close of business on 30th May, 1980) elect to receive, instead of £714.41 in cash, £340 nominal of 8 per cent. Convertible Unsecured Loan Stock 1995/2000 of the Association and £374.41 in cash.

The Resolution to effect the arrangement requires to be passed by a majority of not less than three-quarters of the votes cast at the Meeting. When the Resolution becomes effective, it will be binding on all the Bondholders, whether or not present or represented at such Meeting, and upon all the Couponholders.

If they have not already done so, Bondholders are therefore asked to deposit their Bonds with Paying Agents to obtain voting certificates or appoint proxies as soon as possible. It should be noted that Bonds must be lodged not less than forty-eight hours before the Meeting.

Unless revoked, block voting instructions and voting certificates for the first Meeting will remain valid in respect of the adjourned Meeting.

The Directors of CompAir, end Morgan Grenfell & Co. Limited who have been appointed by CompAir to advise Bondholders and have been approved by the Trustee in accordance with the Trust Deed, consider the arrangement to be fair and reasonable and more advantageous to Bondholders than conversion and subsequent acceptance of the offers. Accordingly they recommend all Bondholders to vote in favour of the Resolution set out in the Notice of Meeting.

COMPAIR LIMITED

NOTICE IS HEREBY GIVEN that an adjourned Meeting of the holders of the 8½ per cent. Convertible Bonds Due 1987 of CompAir Limited will be held at Winchester House, 100 Old Broad Street, London EC2, at 11 a.m. on Tuesday, 6th May, 1980 for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as an Extraordinary Resolution:—

EXTRAORDINARY RESOLUTION

THAT, subject to the offers by S. G. Warburg & Co. Ltd. and Lazard Brothers & Co. Limited on behalf of Imperial Continental Gas Association ("the Association") contained in the offer document ("the offer document") dated 29th February, 1980 (a copy of which has been produced to this Meeting and signed for the purpose of identification by the Chairman hereof) to acquire the New Shares and the Deferred Shares (or the Existing Ordinary Shares) (all as defined in the offer document) of CompAir Limited ("the Company") or any revision thereof becoming or being declared unconditional in all respects, this Meeting of the holders of the 8½ per cent. Convertible Bonds Due 1987 of the Company ("the Bonds") constituted by a Trust Deed dated 7th April, 1977 and a Deed supplemental thereto dated 4th April, 1979 (together referred to as "the Trust Deed"), of which Barclays Bank Trust Company Limited ("the Trustee") is the trustee, hereby:—

- (1) sanctions the abrogation of and arrangement in respect of the rights of the Bondholders and of the Couponholders under the Trust Deed so that:—
 - (a) each Bondholder shall be bound to accept from the Association payment of, and the Association shall be bound to pay to a Bondholder who surrenders his Bonds in accordance with paragraph (b) below, £714.41 for each \$1,000 Bond in lieu of his rights in respect thereof. Provided always that any Bondholder shall, subject to paragraph (c) below, be entitled to elect to receive £340 nominal of 8 per cent. Convertible Unsecured Loan Stock 1995/2000 of the Association ("the Association's Convertible") (as more particularly described in the offer document) instead of £340 of the consideration otherwise payable under this Resolution and the Company shall procure that the Association shall make available the consideration provided for by this paragraph;
 - (b) payment of the cash consideration will be made upon surrender of Bonds at any of the offices of the Paying Agents specified on the Bonds any time from 48 hours after this Resolution becomes effective until the close of business on 30th June, 1980. Such payments made in London will be made in sterling and payments made elsewhere will be made by sterling cheque drawn on a bank in London subject in all cases to any fiscal or other laws and regulations applicable thereto. Any Bondholder who wishes to receive the Association's Convertible on the basis stated above will be required to sign a form of election which will be available at the offices of the Paying Agents. Documents of title (renounceable for a limited period) in respect of any of the Association's Convertible to be issued will be posted at the Bondholder's risk to the address stated in the form of election;
 - (c) the right of Bondholders to elect to receive the Association's Convertible will terminate in respect of any Bonds not surrendered in accordance with paragraph (b) prior to the close of business on 30th May, 1980;
 - (d) no further payment of interest will be made on any Bonds in respect of any period after 31st March, 1980;
 - (e) all the Bonds and Coupons shall be cancelled forthwith upon this Resolution becoming effective except, in the case of the Bonds, for the purpose of evidencing the right to receive the consideration specified in paragraph (a) above;
 - (f) payment of cash in respect of Bonds not surrendered as aforesaid will be made by the Association to the Trustee who will hold the same in accordance with the terms of the Trust Deed against surrender of the Bonds at Barclays Bank Trust Company Limited, 54 Lombard Street, London EC3 at any time prior to 2nd April, 1987, when the Bonds will become void. Any interest earned on the appropriate part of the same shall be payable to a Bondholder who so surrenders his Bond (subject to paying or providing for payment in satisfaction of any remuneration, costs, charges, expenses or liabilities, including taxation, of or incurred by the Trustee) but there shall be no obligation on the Trustee to arrange for the earning of any such interest; and
- (2) notices of this Resolution becoming effective will be advertised in accordance with the provisions of the Trust Deed; and

authorises and empowers the Trustee to concur in, execute and do all such deeds, instruments, acts and things as may be considered necessary or expedient for the purposes aforesaid or otherwise to give full effect thereto.

BY ORDER OF THE BOARD,
JOHN BRUCE
Secretary.

Registered Office:
Brunel Way, Slough, Berkshire SL1 1XL, England.
8th April, 1980.

NOTES:

- (1) An Extraordinary Resolution passed (by a majority of not less than three-quarters of the votes cast) at a meeting of the Bondholders duly convened and held shall be binding on all the Bondholders whether present or not at such meeting and upon all the Couponholders.
 - (2) A Bondholder entitled to attend and vote at the above Meeting may obtain a voting certificate or appoint a proxy to attend and, on a poll, to vote in his stead. A proxy need not be a Bondholder.
 - (3) Bonds may be deposited with or held to the order of or otherwise controlled to the satisfaction of the Paying Agents for the purpose of obtaining voting certificates or appointing proxies until 48 hours before the time appointed for the Meeting but not thereafter.
 - (4) The quorum for the passing of an Extraordinary Resolution at the Meeting is at least two persons holding Bonds or voting certificates or being proxies and being or representing in aggregate the holders of not less than one-quarter of the Bonds.
- As stated above, the offers made on behalf of the Association were declared unconditional in all respects on 24th March, 1980.
- The Directors of CompAir have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and no material facts have been omitted and jointly and severally accept responsibility accordingly.

هكذا من العمل

Building and Civil Engineering

£7.3m Abu Dhabi award

WITH ENGINEERS Roughton and Partners as prime consultants Architects Design Partnership is the winner of an international competition for the design of a £7.3m Police Force Headquarters in Abu Dhabi United Arab Emirates, sponsored by the UAE Department of Public Works.

The winning scheme is divided into four zones. Central buildings containing administration, judicial, dining and stores areas. To the west will be residential areas and a mosque

and to the south, a vehicle park, maintenance and service areas. To the east there will be parking for cars and space for possible future expansion.

The central buildings will be disposed around a shaded courtyard with a pool and plants. In the judicial wing, detention rooms will have a direct access to court rooms with separate entrance for detained persons.

Residences will be provided in separate buildings away from work zones with a landscaped recreation space between.

Vehicle maintenance and service zones are also planned as

a separate unit and a helicopter pad will be located on the roof of the three-storey vehicle park.

The proposed structure will be a reinforced concrete using a 6-metre module with concrete block infilling and a rendered finish. All buildings will be air-conditioned and sun penetration kept to a minimum by planned orientation of departments with overhanging floor and roof slabs to give maximum shading. All zones will be enclosed within a perimeter wall for security reasons.

Work is expected to start on site in mid-summer.

£2.8m homes in Abu Dhabi

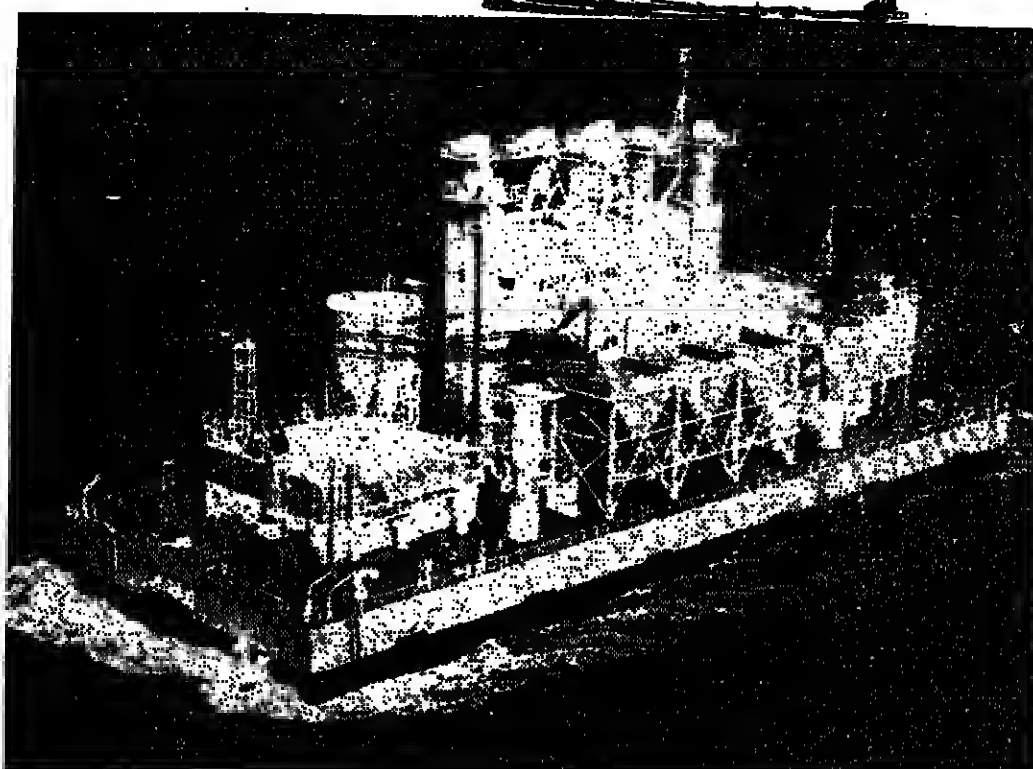
CONTRACTS worth about £2.8m for the building of new homes and a commercial/residential development at Al Ain in the Emirate of Abu Dhabi, have been awarded to Al Naboodah Laing, a John Laing Group associate company.

At Bili on the northern outskirts of Al Ain, the company is to build 100 single-storey two bedroom brickwork-faced villas with ancillary works, for the Office of the Diwan of the Ruler's Representative of the Eastern Province of the Emirate of Abu Dhabi. Al Naboodah Laing has already completed or has under construction 360 villas at Al Ain for the same client.

This latest project is due for completion in 19 months. The architects are Conser of Lebanon and Abu Dhabi.

Work has also started at Al Ain on the construction of a three-storey building with ground-floor shops and residential accommodation above, under a £270,000 contract for Mohammed Bin Saleh.

Architects for the building, which will have a reinforced concrete frame and marble cladding, are the Architecture and Urban Design Company.



Floating mortar plant

NEXT December, this 11,500 dwt floating mortar plant, capable of producing and injecting under water up to 6 cubic metres of mortar per minute, will be put into operation in Japan.

The plant, manufactured in a joint venture of Kubota, one of Japan's largest metalworking firms and Mitsui Shipbuilding and Engineering Company was ordered by the Honshu-Shikoku Bridge Authority. Kubota undertook engineering and construction of the mortar plant and Mitsui built the barge in which it is mounted.

The plant, needed for a big bridge project, will be used to inject mortar into 14 steel caissons positioned on the seabed at water depths ranging from 10 to 50 metres. Prior to this, the caissons will have been filled with coarse aggregate. A total of 600,000 cubic metres of mortar will be pumped in.

Weighing of materials, monitoring mortar quality, production flow and feeding mortar into the caissons will be under the control of a computer and the weighing system is said to have an accuracy of plus or minus 0.5%, there being automatic compensation for barge roll and pitch up to 5 degrees. It is stated that Kubota will be marketing the plant in the U.S. and Europe. The principal plant capacities to be offered will be from 0.2 to 4 cubic metres of mortar per minute.

Breaks it all up

INCORPORATION of a new macerator in its latest Rolls rotary crude sewage pump by Tuke and Bell means that the pump can be used for main drainage from warehouses, garages and small office blocks without risk of blockage by extraneous matter, says the company.

The integral macerator will deal with a variety of entrained solids such as rags, paper, plastic sheets and bags.

Objects such as pieces of wood, bone or hard plastic, which are not readily shreddable, are eventually worn away until they are small enough to pass easily through the pump and rising main, it is stated.

It is a self-contained device which may be bolted on to existing pumps where needed. New pumps can be factory-fitted with the macerator which replaces the steel chamber hitherto included on the standard pump.

Tuke and Bell is at 43 East Street, Horsham, Sussex RH12 1HR (0403 43711).

Preston dock site study

CENTRAL Lancashire Development Corporation has been asked by Preston Borough Council to carry out redevelopment studies on the 300-acre dock site.

Sir William Halcrow and Partners are to undertake engineering studies, which would be completed by the end of June. Halcrow will examine the engineering and hydrological implications of closing the dock and identify various redevelopment options and their estimated costs.

The Corporation is also obtaining advice on possible recreational uses. If the redevelopment option eventually chosen is one in which water is retained in the dock, site investigation studies will also be made of the rest of the land in the dock estate, not directly associated with the dock basin.

Opened in 1892, the dock has a total water area of 45 acres which would need 2m cubic yards of filling material.

Shops to be redesigned

OVER THE next two or three years about £1.8m will be spent on refurbishing 46 Jean Machine shops in the UK.

John Michael (Design Consultants) of London is to be responsible for redesigning the corporate image of the company and much of the shopfitting will be carried out by A. Davies and Co. (Shopfitters) of Horn Lane, London W3.

The first redesigned shop is due to open in Oxford Street, London in May.

Offices and road work

TWO CONTRACTS, together worth about £2m have been won by Sir Alfred McAlpine and Son (Northern).

The largest, valued at well over £1.2m, covers the building of an office and distribution centre for Lego UK at Ruthin Road, Wrexham, Clwyd. Architects are the Chris Cowen Partnership and the quantity surveyors are Kinsler and Partners.

For ICI Mond Division, McAlpine is to construct a 900 metres road at Thornton Cleveleys, Lancashire, under a contract worth over £730,000. This will be the west access road to Hillhouse Works from Fleetwood Road, together with a spur road to Burn Hall Works. Surface water drainage, a brick gatehouse, sheet piled retaining wall to an embankment, and miscellaneous foundations are also included in the contract.

More work in Saudi Arabia

A FURTHER phase of the King Abdul Aziz University sports complex development in Saudi Arabia is to be undertaken by W. S. Try (International). Try recently completed the first phase of the complex, costing over £5m on schedule.

The latest phase, costing £11m, includes reinforced concrete stands to accommodate 1,300 spectators in upholstered chairs. The work is to be completed in 12 months. The stands will be fully carpeted and air-conditioned.

Co. Structural engineers are Wheeler and Jupp and the quantity surveyors E. C. Harris and Partners.

£1.3m gas work for Biggs Wall

GAS MAINS and service laying work costing about £1.3m is to be carried out by Biggs Wall and Co. under three contracts awarded by British Gas.

These awards cover a two-year mains and service laying contract worth £1m in the Chilthorne area, a 200mm diameter pipeline in Bishop's Stortford, (both of these are for Eastern Gas) and the construction of about 10,000 metres of 200mm diameter steel main valued at £253,000 at Leighton Buzzard for Southern Gas.

The latter contract, which will be of three months' duration, will include five road crossings, one by auger bore.

IN BRIEF

● The British Airports Authority has awarded a £870,000 contract to William Tawse for the construction of a parallel taxiway at Dyce Airport, Aberdeen.

● Planning permission is being sought for the restoration after a fire of Waring and Gillows' premises on the corner of Albion Place and Leeds Lane, Leeds. Owner of the building, Mark Rowlands, has appointed Gillinson Barnett and Partners as architects.

● Teddington Industrial Equipment, Sunbury-on-Thames, Middlesex, has two contracts, valued at £3m for the supply and installation of a central control room desk type panel and associated equipment cubicles, together with a large floor standing instrument panel, for British Nuclear Fuels at its Capenhurst plant, near Chester.

● Graham Wood Structural, part of the Amsteel Group, has won a contract for structural steelwork for the extension to Fenwick's store in New Bond Street, London, W1. The value of the contract is £240,000.

● Roadcoat has laid a 6mm thick epoxy resin floor over a 1,250 sq metre area of Henry Balfour's factory in Leven, Fife, which provides a smooth, easily maintained and high impact surface with wear resistant qualities.

COATED STEEL

Approx. 30 Tons PVC coated galvanised sheet steel in original 83% packing surplus to requirement. STELVETITE G. K.G. ROSSER Laminates, mainly 0.6 mm gauge.

For details of sheet sizes, etc. telephone CBS Composite Building Systems Ltd. Skipton (0756) 5710

Some bankers think Bank of America can be their correspondent only in the U.S.A.



Actually, we provide correspondent bank services at our own offices in over 85 countries.

In Asia, we have 28 branches in 14 countries from Japan to India; in South and Central America, it's 44 branches from Argentina to Guatemala; and we cover Europe and the Middle East with 29 branches in 17 countries from Ireland to Pakistan. Plus affiliates, subsidiaries and representative offices in many countries.

When you do need a United States correspondent, we have superb credentials, with specialized international units in San Francisco, Los Angeles, Chicago, Houston, Miami, and particularly New York. Bank of

America New York (BANY) handles so much international business that, based on deposits, it would rank as one of the 30 largest banks in the United States.

Dealing with us, you don't need a different correspondent for each country. Bank of America can give you the world.

Bank of America's global network of offices can provide a broad range of correspondent services: from import-export financing to foreign exchange trading, special-purpose loans in local currency, letters of credit, collections... and more.

BANK OF AMERICA

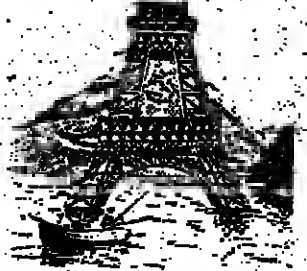


Think what we can do for you.

Contract Journal

The weekly with the business leads

Ring: LEE GORING 01-643 8040 ext 4306



Anything you want built, anywhere in Scotland contact

Gilbert Ash 041-248 2511

Regional Office: West George Street Glasgow

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SECURITY

Not so easy to steal the cash

WHETHER OR not the advent of a time-lock controlled cash dispensing system will reduce the numbers of raids on banks, building societies and other places where large amounts of money have to be handled remains to be seen. But it is certain that the German-designed "Timelock" equipment will sharply cut the amounts of money stolen in such raids.

The reason is that the equipment is designed around a series of shuttered compartments each containing a predetermined number of notes of, say, four denominations. Under the control of a timer, the shutters are drawn down, releasing the money in the successive protected compartments, at intervals selected by the head cashier to correspond to the anticipated rate of withdrawals for the day.

Vital delay

It is not possible to override the time setting for the various compartments in the sense that any change to the setting keys by itself imposes an extra delay of six minutes before the new timing itself comes into effect. In a bank hold-up these six minutes would be vital.

The maker does not suggest its equipment is a replacement for bullet-proof glass or anti-bomb screens, but asserts that it could go some way towards solving the hostage problem.

The equipment is available in a number of versions including one which shows the time to opening for each column of note compartments. It is also offered with a capacious note safe with its own time lock so that cashiers at a busy desk can place incoming notes in immediate security prior to sorting.

Other activities

The group offering this equipment in Britain, Unilock, is expanding quickly into the total refurbishing of large premises—which covers the supervision of removal of asbestos-based walling and other materials, the installation of air-conditioning and partitioning and the provision of interior design and contract furnishing, including "electronic" furniture.

Despite the depressed state of the building industry in general, the trend towards increasing adoption of the reinstatement solution for out-moded business premises in city centres is seen as a good basis for the company's predictions of continued growth, particularly on the strength of the large package deals it is in process of negotiating. Turnover for the current year should reach about £4m and Unilock is looking very hard at export markets.

Further details from Unilock Group, 178, Vauxhall Bridge Road, London SW1V 1DX. 01-828 4651.

MACHINE TOOLS



A bio-medical engineer at the Institute of Laryngology and Otolaryngology, London, using a Kaiser micrometer adjusted small boring head accurate to .0002in to machine a mould for a plastics component used in surgery. Many of the moulds used for making very small plastics components are produced

"in house" on this equipment, allowing component design to be kept as nearly as possible in step with operating and post-operative needs. The boring head was a gift by Kaiser, Switzerland, through Matchless Machines of Horsham, Sussex, as part of a programme of aid to research establishments and training establishments.

High performance reamer

THE PRODUCTION Engineering Association reports that it has granted licences for the manufacture of its high performance reamer to two Sheffield companies: Beaver-Strongs and Marsh Brothers Tools, both subsidiaries of Brooke Tool Engineering (Holdings).

The tool was developed some time ago during a research pro-

ject and has an unusual geometry of the cutting edges. A very slight bevel lead angle enables high feed rates to be employed and the negative axial rake or "spiral point" geometry facilitates swarf clearance so that superior hole surface finish results.

It is also claimed that there is an overall reduction in the cost of reamed holes, greatly

increased rates of penetration, improved tolerances and a longer life for the reamer.

An interesting aspect of the move by PERA is that although the patent expired in August 1978, the design was also originally protected by copyright, and this protection continues.

PERA is at Melton Mowbray, Leicestershire (0664 4133).

DATA PROCESSING

Flexible time scheme

SOME 25 sites of Greater Manchester Transport are being equipped for flexible working time by Borer Data Systems.

The move is of some interest because GMT, like all such transport undertakings, has to provide sufficient vehicles to meet peak demand. By going for flexible time itself, it hopes to encourage other Manchester firms to follow suit, thus reducing the difficult peaks. In the longer term flexible hours should lead to more efficient

utilisation of many kinds of services.

In the Manchester scheme each employee working flexible hours uses an identification card which doubles as the time registration badge. The card is inserted into a reader and the event recorded on a central controller. The employee will be able to see his attendance record and register periods of planned absence. The cards can be used at any of the 25 sites. Borer is at Molly Millars Lane, Wokingham, Berks (0734 781137).

Workshop control systems

DEVELOPED by Kewill Systems under the NCC Software Products Scheme and financed by the Department of Industry is what is claimed to be the first microprocessor-based production control and workshop scheduling system.

It is likely to be of interest to jobbing and sub-contract machine shops, heavy and high precision engineers and maintenance or repair shops. Employment levels will be between 30 and 300 either in independent companies or in parts of large concerns. It will be particularly relevant where manufacture is strictly to customers' orders or is in small batches of a wide variety of products.

Entered in to the machine's memory will be part numbers and manufacturing structures with operation times and so on, the system being implemented in conjunction with a consultant from Kewill.

From screen and printer the system will then provide work in progress reporting and control, machine and factory loading, forecasts of job finish dates, overdue reports, and schedules for each machine/workstation to follow.

The system can be used at whatever level of sophistication is needed in a particular fac-

tory, from simple work in progress reports to detailed machine loading and scheduling of all kinds of work. Further software is under development that will deal with job costing and material control.

Benefits claimed in the use of the system, which is called Micros, include lower work in progress levels and better forecasts of delivery dates making it possible for managers to stick more closely to delivery promises. It should also result in better utilisation of men and machines and provide superior management information. It is possible for the machine to be used for other purposes including accounting, design and so on and an "own program" interpreter and compiler is available.

Hardware consists of a Zilog Z80 processor with 64k bytes of memory, Sugart dual floppy disc store (one megabyte), a Texas Instruments printer and a 1920 character visual display unit.

The system can cope with 2,000 jobs in progress, 5,000 operations, 100 work centres and 200 days of forward scheduling.

Kewill Systems, 500, Chesham House, 150, Regent Street, London W1R 5FA (01-734 5351).

PERKIN-ELMER
Computer Systems Division
MANAGEMENT INFORMATION SYSTEMS FOR THE 80s
SLUG-345M
PERKIN-ELMER
Computer Systems Division

SERVICES

Heat loss displayed

INCIDENT structural and heat loss problems can be shown up by means of a service now offered by DEM Systems, Donhead St. Mary, Shaftesbury, Dorset SP7 9DX (074788 048).

Using portable, infra-red thermographic and ultrasonic detection equipment, the company claims to be able to detect faults in structural components, buildings of all types, storage tanks, high energy consuming units such as furnaces, kilns and ovens, often before they can become major problems.

Heat loss or gain from buildings or containers can be discovered and quantified so that poor insulation can be rectified and fuel bills reduced. Infra-red scanning cameras are used in which the resulting pictures show warm areas of a surface distinctly differentiated from cool ones. Very small temperature differences can be spotted caused by faults which may be invisible to the eye.

LIGHTING

Fluorescent substitute for bulb

A REUTER report from Amsterdam says that Philips, Gloeilampenfabrieken has started deliveries in continental Europe of a miniature fluorescent lamp which is a direct replacement for the conventional filament bulb.

The 18-watt version of this "SL" lamp is priced at over £7, which compares with about 40p for a traditional 75-watt light bulb with the same output. However, the claim is that the new lamps will use one quarter of the energy, last five times as long and in most cases will be interchangeable with old bulbs using existing light fittings.

ELECTRONICS

Provides a crisp image

AIMED AT original equipment manufacturers who need to produce quality CRT images in their systems, the 806B display monitor from Tektronix is able to generate a uniform spot size of 0.79 mm and a light output variation of less than 10 per cent in the central quality area.

A five inch (125 mm) flat faced rectangular cathode ray tube is used, yielding a display linearity of 1 per cent along the major axes. A metal bezel forms a solid mounting for heavy cans, preventing distortion and light leaks.

Physical dimensions of the monitor are 133 x 213 x 519 mm and the weight is 7.9 kg. Power requirements are designed for worldwide use.

More from the company at Beaverton House, PO Box 60, Harpenden, Herts (05827 63141).

SWIMMING POOL
Solar Heating
An effective solar heating system for your swimming pool developed jointly by Robinsons and K1
Robinsons
Developments Limited
Dept. FT Robinson House, Wheat Hill Rd, Wokingham, Berks. Tel 0734 51777



Deutsche Bank

Aktiengesellschaft

(Incorporated in the Federal Republic of Germany with limited liability)

Frankfurt am Main

We are convening our Ordinary General Meeting this year on Tuesday, May 13, 1980, 10.00 a.m. in the Kuppelsaal of the Stadthalle Hanover, Theodor-Heuss-Platz 1-3, Hanover 1.

Agenda

1. Presentation of the established Statement of Accounts and the Reports of the Board of Managing Directors and the Supervisory Board for the 1979 financial year
Presentation of the Consolidated Statement of Accounts and the Report of the Group for the 1979 financial year

2. Resolution on the appropriation of profits

The Board of Managing Directors and the Supervisory Board propose that the distributable profit of DM 183,883,922 be used to distribute a dividend of DM 9 per old share of DM 50 per value and DM 4.50 per new share of DM 50 per value (from the capital increase in 1979).

3. Ratification of the acts of management of the Board of Managing Directors for the 1979 financial year

The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified for the 1979 financial year.

4. Ratification of the acts of management of the Supervisory Board for the 1979 financial year

The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified for the 1979 financial year.

5. Election of the auditor for the 1980 financial year

The Supervisory Board proposes that Treuherren AG Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft, Frankfurt am Main, be appointed auditor for the 1980 financial year.

6. Authorization to issue Bonds with Subscription Rights and Creation of Conditional Share Capital

The Board of Managing Directors and the Supervisory Board propose that the following resolutions be passed:

- a) Authorization for the issue of Bonds with Subscription Rights by Deutsche Bank Compagnie Financière Luxembourg S.A., Luxembourg, in the equivalent of up to a total of US\$ 200,000,000, denominated either in US-Dollars or in D-Marks, with a maximum life of 10 years. The Bonds shall be subject to German law and shall be issued in the period until April 30, 1985. Pre-emptive rights of shareholders shall be excluded. The authorization may be utilized in partial amounts.

The Bonds shall be payable to bearer and shall be issued in nominal amounts of US\$ 1,000 each or DM 1,000 each. Each Bond shall be accompanied by Bearer Warrants entitling the holder, in accordance with the more detailed provisions of the Conditions of Warrants to purchase up to 10 Deutsche Bank shares in the nominal amount of DM 50 each per Dollar Bond and up to 5 Deutsche Bank shares in the nominal amount of DM 50 each per D-Mark Bond.

The subscription price for one Deutsche Bank share in the nominal amount of DM 50 shall be fixed in D-Marks or in US-Dollars without prejudice to Section 9 (1) of the German Stock Corporation Act (Aktien-gesetz). If fixed in D-Marks it shall correspond to the average of official prices (amtliche Einheitskurse) on the Frankfurt Stock Exchange for Deutsche Bank shares over the 10 stock exchange days preceding the resolution regarding the issue of the Bonds; the subscription price calculated in this way shall be rounded up to the nearest D-Mark amount divisible by 5. If fixed in US-Dollars the subscription price shall correspond to the equivalent in US-Dollars of the D-Mark amount mentioned in the first half of the previous sentence, converted at the official mid-rate on the Frankfurt Foreign Currency Exchange on the day of the resolution; the amount calculated in this way shall be rounded up to the nearest US-Dollar amount divisible by 5.

The subscription rights may be exercised from July 1, 1980 (at the earliest, however, one month after the issue of the Bonds) until one month after the life of the Bonds has expired, with the exception of certain periods to be determined in the Conditions of Warrants.

The subscription price shall be reduced in accordance with a dilution protection clause if during the life of the Bonds Deutsche Bank AG either increases its share capital or establishes conversion or subscription

rights, giving pre-emptive rights to its shareholders, and no preemptive right is given to the holders of the Warrants.

The Board of Managing Directors is authorized to stipulate all further details in agreement with the corporate bodies of Deutsche Bank Compagnie Financière Luxembourg S.A., Luxembourg.

- b) The share capital shall be increased conditionally by a further DM 100,000,000 through the issue of 2,000,000 bearer shares in the nominal amount of DM 50 each for the purpose of granting subscription rights in accordance with the Conditions of Warrants to the holders of the Warrants from the Bonds with subscription rights in the amount or in the equivalent of up to a total of US\$ 200,000,000 to be issued by Deutsche Bank Compagnie Financière Luxembourg S.A., Luxembourg, by April 30, 1985 in accordance with a). The conditional capital increase shall be effected only in so far as the Bonds are issued and the holders of the Warrants exercise their subscription rights. The new shares shall be entitled to dividends from the beginning of the financial year in which they come into existence by virtue of the exercise of subscription rights.

- c) The following new subpara. 5 shall be inserted into Section 4 of the Articles of Association:

"The share capital is increased conditionally by a further DM 100,000,000. The conditional capital increase shall be effected only in so far as the holders of the Warrants from the Bonds with Subscription Rights to be issued by Deutsche Bank Compagnie Financière Luxembourg S.A., Luxembourg, by April 30, 1985 exercise their subscription rights. The new shares shall be entitled to dividends from the beginning of the financial year in which they come into existence by virtue of the exercise of the subscription rights."

The present subpara. 5 of Section 4 of the Articles of Association shall become subpara. 6; in it the words "from the US-Dollar Bonds with Subscription Rights mentioned in subpara. 4" shall be replaced with "from the Bonds with Subscription Rights mentioned in subparas. 4 and 5".

Shareholders entitled to participate in the General Meeting and to exercise their right to vote are those who have deposited their shares during normal office hours and in the prescribed form at a depositary bank until the end of the General Meeting. Depositary banks are those specified in the Bundes-anzeiger of the Federal Republic of Germany No. 66 of April 3, 1980.

Depositary banks in the United Kingdom are:

Deutsche Bank AG,
London Branch,
10, Moorgate,
London EC2P 2AT.
Midland Bank Limited,
International Division, Securities Department,
Suffolk House, Laurence Pountney Hill,
London, EC4 4.

Shares shall only be deemed deposited if they are lodged by May 6, 1980, at the latest, with either of the aforementioned depositary banks or with any other authorized depositaries in the United Kingdom. In the United Kingdom entrance cards or forms of proxy will be issued by the aforementioned offices of Deutsche Bank AG or Midland Bank Ltd. to whom application should be made. With regard to the exercise of the voting rights we wish to draw your attention to § 18 (1) of our Articles of Association:

"The voting right of each share corresponds to its nominal amount. If a shareholder owns shares in a total nominal amount exceeding 5% of the share capital, his voting rights are restricted to the number of votes carried by shares with a total nominal amount of 5% of the share capital. Shares held for account of a shareholder by a third person shall be added to the shares owned by such shareholder. If an enterprise is a shareholder, the shares owned by it shall include any shares which are held by another enterprise controlling, controlled by or affiliated within a group with such enterprise, or which are held by a third person for account of such enterprises."

5% of the share capital mentioned in § 18 (1) at present corresponds to a nominal amount of DM 55,706,645 = 1,114,132 shares of DM 50 par value.

Frankfurt am Main, April 1980

The Board of Managing Directors

COMPONENTS

Thermoplastic springs

DESCRIBED by its originators as "completely new" is a series of springs produced in thermoplastic materials to cover a very wide range of industrial applications.

Monospring describes the range—patents are pending on the manufacturing process—which encompasses tension and compression types in single and double bell complete with end-loops.

Round, oval, flat oval and hexagon shapes are available in coil diameters from 1mm to 50mm. Coil size runs from 0.24

to 4mm using both round and oval-shaped thermoplastic.

Materials used include nylon, polyethersulphone, polyvinylidene fluoride, polyethylene and poly-4-methylpentene.

Up to an operating temperature of 80 degrees C, benefits conferred include abrasion and corrosion resistance, and for several types "shape memory".

Further information from Monolux Monolux House, Trent Valley Works, Trent Valley Road, Lichfield, Staffs, Lichfield 23958.

MATERIALS

Moulding release agents

TWO NEW aerosol release agents for use by the plastics and rubber moulding and foundry industries are being marketed by Ardrex, part of the Brent Chemicals International Group.

Ardrex 7300, a silicone free material, is suitable for use when the moulding is to be subject to further processing such as painting, screen printing, or the use of adhesives. Ardrex

7400 is a silicone based material and is said to be especially suitable for use where high production rates are involved.

Both types are suitable for use in injection and compression moulding, including mouldings with metal inserts, vacuum forming and sand and investment casting.

The company is located at Furlong Road, Bourne End, Bucks. (Bourne End 24951).

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of

LOCAL AUTHORITY BONDS

on offer to the public

For advertisement details please ring

B. Kelaart,

01-248 8000 Extn. 266

مكتبة النخيل

[illegible]

the world. And finally, when you arrive in Manila, refreshed and raring to go, our extensive network can whisk you direct to all the great commercial centres of the East and Australasia.

So now there's a way to the East that you needn't lose sleep over. After all, the last thing we want to do is make you feel like you need a day to recover.

... ..

Philippine Airlines

Philippine Airlines

... ..



Twice a week to Manila. And all points East.



FT Monthly Survey of Business Opinion

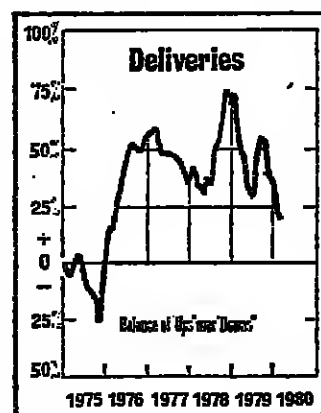
© Statistical Material Copyright Taylor Nelson Group Ltd.

GENERAL OUTLOOK

Pessimism undimmed by Budget

INDUSTRY has become more pessimistic both about the general outlook for the economy and about the prospects for individual companies. For example, the index of optimism about company prospects has now fallen below the low point reached in December, 1976, and is not far above the February, 1975, low. Almost all the companies were contacted after the Budget and none wanted to revise their views.

All three sectors interviewed in the latest survey—building and construction, food and



tobacco, and textile and clothing—are heavily inclined to be less optimistic about the economy. The Budget has made little difference and, if anything, it has left industry slightly more pessimistic.

There has been a further decline in expectations about export prospects over the next 12 months and all the indices here are at new low points. All three sectors continued to mention the strength of the pound as a major factor affecting exports.

GENERAL BUSINESS SITUATION

Are you more or less optimistic about your company's prospects than you were four months ago:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
More optimistic	18	24	24	22	23	24	34	
Neutral	34	36	37	38	39	31	35	
Less optimistic	48	40	39	40	38	45	31	

EXPORT PROSPECTS (Weighted by exports)

Over the next 12 months exports will be:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Higher	47	48	52	59	38	34	56	
Same	29	30	29	29	32	13	24	
Lower	22	22	18	11	30	13	20	
Don't know	2	1	1	1	—	40	—	

NEW ORDERS

The trend of new orders in the last 4 months was:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Up	35	31	34	36	19	29	25	
Same	19	21	18	18	62	—	39	
Down	15	13	7	11	11	7	34	
No answer	31	35	41	35	8	64	—	

PRODUCTION/SALES TURNOVER

Those expecting production/sales turnover in the next 12 months to:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Rise over 20%	6	5	3	3	8	—	—	
Rise 15-19%	5	5	3	5	—	—	—	
Rise 10-14%	14	16	22	15	27	—	—	
Rise 5-9%	20	16	17	20	11	53	40	
About the same	46	48	46	51	54	45	60	
Fall 5-9%	—	1	1	1	—	—	—	
Fall over 10%	1	—	—	—	—	2	—	
No comment	8	9	8	5	—	—	—	

STOCKS

Raw materials and components over the next 12 months will:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Increase	22	21	25	28	8	21	40	
Stay about the same	35	39	39	43	73	27	56	
Decrease	31	25	24	20	11	52	4	
No comment	12	15	12	9	8	—	—	

Manufactured goods over the next 12 months will:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Increase	18	24	26	26	8	2	20	
Stay about the same	36	36	33	38	66	27	54	
Decrease	22	15	14	13	8	50	10	
No comment	24	25	27	23	18	21	16	

FACTORS CURRENTLY AFFECTING PRODUCTION

Factors currently affecting production:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Home orders	73	69	64	68	100	71	90	
Export orders	43	43	41	52	77	7	79	
Executive staff	11	9	12	7	—	24	20	
Skilled factory staff	27	25	26	25	27	24	15	
Manual labour	5	8	6	4	—	—	—	
Components	17	15	14	11	4	—	—	
Raw materials	17	9	11	13	19	45	2	
Production capacity (plant)	12	11	7	8	—	26	—	
Finance	2	2	2	2	8	—	2	
Others	12	10	6	7	—	21	25	
Labour disputes	35	31	30	33	15	48	—	
No answer/no factor	2	7	8	7	—	—	—	

LABOUR REQUIREMENTS (Weighted by employment)

Those expecting their labour force over the next 12 months to:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Increase	16	22	23	15	2	—	—	
Stay about the same	37	38	36	47	73	26	29	
Decrease	41	35	39	36	25	46	71	
No comment	6	5	2	2	—	28	—	

CAPITAL INVESTMENT (Weighted by capital expenditure)

Those expecting capital expenditure over the next 12 months to:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Increase in volume	28	26	34	38	28	45	12	
Increase in value but not in volume	15	16	9	11	16	13	4	
Stay about the same	12	17	15	17	8	28	—	
Decrease	33	26	23	20	41	14	84	
No comment	12	15	19	14	7	—	—	

COSTS

Wages rise by:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
10-14%	17	18	15	18	8	4	5	
15-19%	56	46	37	37	45	74	89	
20-24%	16	14	11	10	27	22	6	
25-29%	—	—	1	1	—	—	—	
Same	—	—	1	1	—	—	—	
No answer	11	22	35	33	—	—	—	

Unit cost rise by:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
0-4%	5	1	2	1	—	21	—	
5-9%	3	3	5	4	—	—	—	
10-14%	31	35	33	41	39	—	34	
15-19%	31	29	29	28	19	55	46	
20-24%	9	7	8	6	27	—	—	
Decrease	—	—	—	2	—	—	—	
No answer	21	25	23	18	15	24	—	

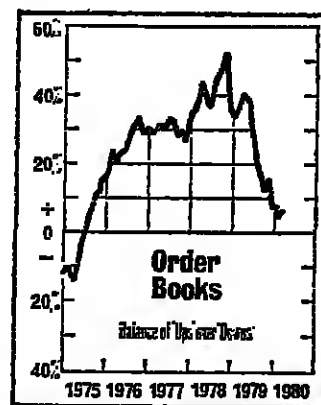
PROFITS MARGINS

Those expecting profit margins over the next 12 months to:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Improve	36	32	31	24	16	91	40	
Remain the same	34	40	40	41	47	4	32	
Contract	26	25	25	29	30	5	28	
No comment	4	3	4	6	7	—	—	

ORDERS AND OUTPUT

Weakening of demand

THE WEAKENING of demand reported since last summer has halted for the time being though it is too early to say whether this is a freak result or a temporary phenomenon. This applies to the indicators both for new orders and for the level of order books. There has, however, been a small further decline in the indicator of deliveries over the last four months. In particular, both the building and construction and the textile and clothing



sectors were less inclined to report increased deliveries than they had been last November.

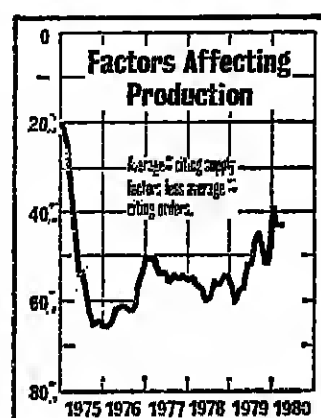
The food and tobacco sector was rather more inclined than it had been last November to expect to increase sales over the next 12 months. Consequently, even though the other two sectors expected smaller rises than they had done last November, this index has moved slightly upwards—though the movement is regarded as insignificant.

CAPACITY AND STOCKS

Production held back

THERE IS increasing evidence that industry's stock levels are too high in relation to current sales. This was reported particularly by the textile and clothing sector. The index of expected stock levels over the next 12 months has continued to decline.

The impact of falling demand is also shown in the detailed answers to the question on factors currently affecting production. All the companies interviewed in the building and construction sector said that output was affected by a shortage



of UK demand whereas in November only about two-thirds gave this reply. There was an increase in mentions of shortages of raw materials and of labour disputes in supplier companies. In the food and tobacco sector this was chiefly due to some companies finding supplies of cans restricted as a result of the steel strike.

These two effects offset each other so that there was no change in the index of the extent to which output or sales are affected by demand rather than by supply shortages.

CAPACITY WORKING

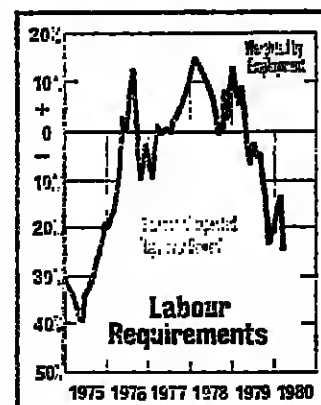
Capacity working:	4 monthly moving average				March 1980			
	Dec. Mar.	Nov. Feb.	Oct. Jan.	Sept. Dec.	Constn. & Bldg.	Food & Tobacco	Textiles & Clothing	
Above target capacity	9	14	14	12	19	—	5	
Planned output	63	54	51	50	58	98	26	
Below target capacity	26	30	33	36	23	2	69	
No answer	2	2	2	—	—	—	—	

INVESTMENT AND LABOUR

Caution about employment

INDUSTRY HAS become more cautious about its expected labour needs. All three sectors covered by the latest survey were more inclined to expect their labour force to decrease than they had been last November. This index dropped quite sharply to its lowest level since the mid-1970s. All three sectors were also more inclined to say that they were discouraged from increasing employment by uncertainty about the future.

There is also increasing pessimism about the outlook for capital spending and the indices for expenditure over the next 12 months have continued to



fall. Moreover all three sectors covered were less inclined to say liquidity levels were too high, the food and tobacco and the textile and clothing sectors were more inclined to say that they were too low. Consequently the liquidity index has fallen quite sharply.

The special question on exchange controls again shows that last October's abolition has had no effect for most companies (roughly three-quarters of those replying). This is partly because they had always been able to obtain finance though some said that abolition had made life simpler.

COST AND PROFIT MARGINS

Inflationary pressures

INFLATIONARY pressures are continuing to increase. Both the building and construction and the textile and clothing sectors expected higher in-

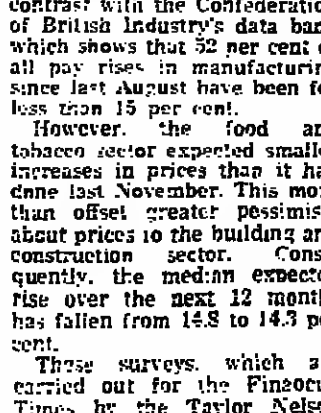
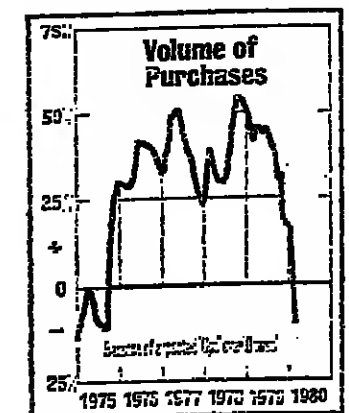
cent for wages and from 14.8 to 15.1 per cent for unit costs. Only 17 per cent of companies expected wage rises of less than 15 per cent over the period. This is in apparent contrast with the Confederation of British Industry's data bank which shows that 52 per cent of all pay rises in manufacturing since last August have been for less than 15 per cent.

However, the food and tobacco sector expected smaller increases in prices than it had done last November. This more than offset greater pessimism about prices in the building and construction sector. Consequently the median expected rise over the next 12 months has fallen from 14.8 to 14.3 per cent.

These surveys, which are carried out by the Financial Times by the Taylor Nelson Group, are based upon extensive interviews with top executives. Three sectors and some 30 companies are covered in turn every month. They are drawn from a sample based upon the FT-actuaries' Index, which

accounts for about 60 per cent of all public companies. The all-industry figures are four-monthly moving totals covering some 120 companies in 11 industrial sectors (mechanical engineering is surveyed every second month).

Complete tables can be purchased from Taylor Nelson and Associates.



increases in wages and unit costs than last November. The indicators of this median projected rise over the next year have moved up in the last month from 17.0 to 17.5 per

Why bed tax on car insurers is difficult

BY OUR INSURANCE CORRESPONDENT

ON MONDAY when the Commons was still debating the Budget, Mr. Patrick Jenkinson, the Social Services Secretary, said that the Government was looking for additional sources of income for the Department of Health and Social Security, and that these included the possibility of "recovering a greater proportion of the cost of traffic accidents" from motorists and their insurers.

Insurers, and the motorist public, must hope that the Government's Department concerned remember the long discussions in late 1976 and early 1977 when the Labour Government, and particularly Mr. David Ennals, the Minister, had a similar notion.

At that time insurers, brokers, motorist organisations, all took the view that since motorists were taxpayers, it was inequitable to charge motorist taxpayers twice for the use of the State's health service. This as a matter of principle is still insurers' firmly held opinion.

However, firmly held opinions do not deter Governments, as insurers found out during the 1976-77 winter, but practical operational difficulties do.

And the Labour Government's proposals to make motorist insurers tax-collectors for the DHSS foundered because the civil servants, with all the ingenuity at their disposal, could not devise any scheme that stood a chance of a chance of working at all, let alone efficiently.

The mechanics of collection, were the rocks on which the Ennals proposals foundered. There is no reason to think that in the three years that have elapsed anyone will have come up with an idea that was not explored under the DHSS pressure then applied by the Minister and his Departmental advisers.

Insurers fought three years ago on the issue of simplicity—simplicity within existing premium-collection and accounting systems. Even with such simplicity substantial changes would have been required for computer and administrative systems; and without such simplicity insurance minds boggled.

Moreover no such changes could be made without substantial cost, and insurers made it clear that the DHSS should foot the bill, not they or their policyholders.

When the Ennals proposals were under discussion, the DHSS aimed to collect £40m, but that sum was £40m expressed in

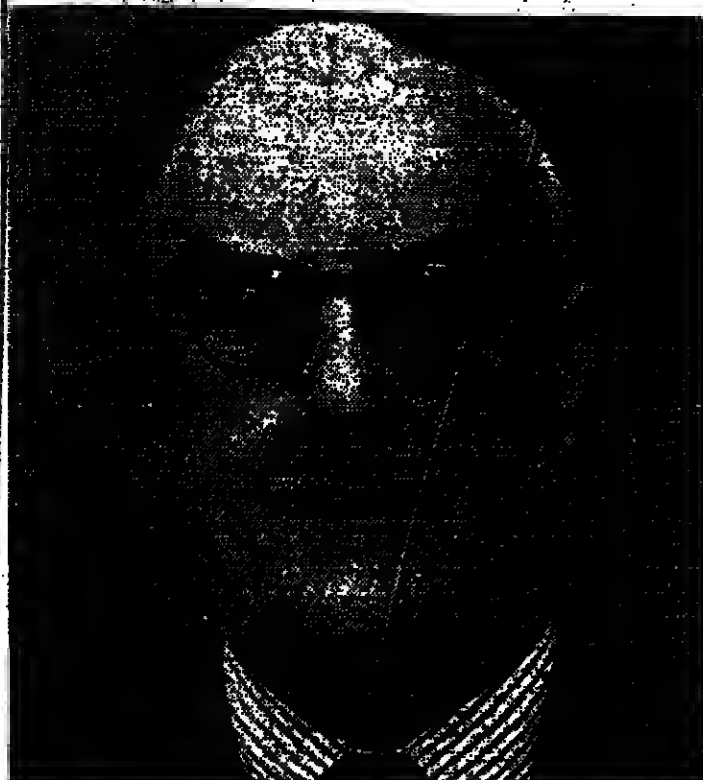
1975 pounds. Inflation has moved on; space, and now the equivalent amount at issue must be in the region of £100m. However one looks at the problem, a sizeable sum of money is involved.

If Government wants to make the motorist public pay for hospital services which road accident victims use, there are quicker and simpler means of getting the money than by surcharging insurance premiums in some way.

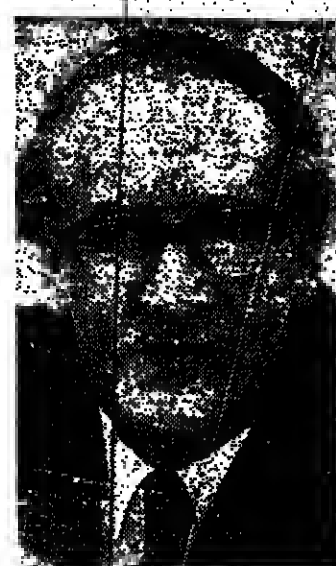
Price of petrol can be raised again, or the vehicle excise rate increased. Both these possibilities were canvassed in 1976-7

BICC switches back to the core

Geoffrey Owen re-examines Britain's largest cablemaker and finds it reviewing its diversification policy



C. H. Broughton Pipkin (above) and Sir Raymond Pennock



C. H. Broughton Pipkin, who retired last week after 11 years with BICC, has presided over a difficult period of transition in the company.

Sir Raymond Pennock, who retired last week after 11 years with BICC, has presided over a difficult period of transition in the company. He was chairman of the company from 1968 to 1979. During his tenure, BICC has grown from a small cable company to a major international cable manufacturer. He has been instrumental in the company's expansion into new markets and the development of new products. His departure marks the end of an era for BICC.

a potentially awkward Monopolies Commission investigation—which gave BICC a clean bill of health. "Broughton has taken a lot of flak out of the balance sheet," a colleague remarks, "and he has cleared the decks for Ray Pennock."

He has brought younger men on to the Board, with the result that the average age of the directors is seven or eight years less than it was when he took over as chairman. Julian is 42 and the managing directors of Cables, Industrial Products and Balfour Beatty are, in their early or mid-50s.

But the choice of successor to the top job was a problem and an outsider was always a possibility. The most obvious internal candidate was Denis Rooney, now 60, who had masterminded the growth of Balfour Beatty, but virtually all his experience had been on the contracting side of the business. In mid-1978 Broughton Pipkin appointed as executive vice chairman Rooney and "Oscar" De Ville, who had joined BICC from Ford in the mid-60s to take charge of industrial relations; his main experience was "staff" rather than "line." Rooney was made chairman of Balfour Beatty and International, while De Ville was given responsibility for Cables and Industrial Products.

In the end the chairman and the non-executive directors decided that an outsider, if they could find the right man, would have the advantage of bringing a fresh mind to the management of the group. After many names had been sifted Sir Ray Pennock came out as first choice and he was approached.

For Sir Ray, who would have had to retire from ICI at the age of 62—he is now 58—BICC offered a splendid opportunity of taking command of a large group which had not yet fulfilled its potential as a major UK-based international company. Having participated in the transformation of ICI from an "imperial" into a genuinely international company, and having seen the ups and downs of ICI's attempts at diversification, Sir Ray is well placed to provide the broader perspective and strategic direction which BICC needs.

LAST WEEK Sir Ray Pennock moved his office from Millbank, overlooking the Thames, to Blombury Street. He was leaving the deputy chairmanship of ICI, a company he had served for 33 years, to become executive chairman of BICC, the electrical engineering and contracting group.

In the five years during which he can expect to remain at the helm, Sir Ray has to solve two long-standing problems. One is to give a clear strategic direction to a group which has been trying to come to terms with the fact that much of its traditional UK cable business, especially power cables, stopped growing in the mid-60s. The other is to ensure that there are suitable internal candidates for the succession in five years' time. Sir Ray was the first outsider to be brought in at the top since BICC was formed by the merger between British Insulated Cables and Callender's Cable and Construction in 1948.

Shareholders may regard these longer-term questions as less pressing than the need for higher profits. Although 1979 pre-tax profits show a 16 per cent improvement in historic cost terms, the inflation adjusted performance still shows a meagre 4.4 per cent return on assets. It is certainly true that Sir Ray's most urgent task is to improve profitability. But there is a connection between short-term profit improvement and long-term strategy.

Two years ago, when BICC was last examined on this page (April 11, 1978), there was a view inside the company that the UK cables business, in which BICC is the market leader, should be capable of generating cash to support diversification into industries which offered better growth prospects. The diversification would be carried out through BICC Industrial Products, which was already a substantial and somewhat heterogeneous group of non-cable companies. Meanwhile the group's other two legs—Balfour Beatty, the contracting company, and BICC International (subsidiary companies in Australia, Canada, South Africa and elsewhere)—were capable of growing at a healthy rate without too much interference or financial support from the centre.

Since then there has been something of a reappraisal—to which Sir Ray Pennock, who joined the board in October, 1978, has contributed—about what BICC's strengths really are and what role should be played by the cable business.

The great danger about regarding a business solely as a cash generator is that this becomes its primary objective; necessary investments in research and engineering are minimised.

The BICC board now recognises that cables should more properly be regarded as the core or heartland of the group, unless its efficiency and competitiveness are continuously improved, the rest of the group will suffer.

The reappraisal has given a new impetus to moves that were already under way to improve profitability in cables. Capacity has been brought into line with demand by closing six factories over the past five years.

Closures

While there is scope for further reductions in fixed costs, BICC Cables, under managing director Bill Shankland, is in much better shape than it was five years ago. In 1978 operating profits improved from £1.5m to £17.5m and this is seen as an important step towards achieving a satisfactory return—margins are still only 4.5 per cent on sales.

If improving the performance of cables was solely a matter of factory closures, it would be hard to avoid the impression within the company that BICC Cables is a depressed area, which bright and ambitious people should avoid. Of equal importance, therefore, has been a recent series of moves to strengthen the organisation and management and to tap existing talent within the group. Another example is the appointment of a new finance director from Ford, 35-year-old John Martyn, to assist Shankland. The injection of some outside talent helps to generate a sense of momentum and an awareness that, even though UK demand may be static, cables is a good business to be in.

	Sales (£m)	Pre-tax profit (£m)	Attributable profit (£m)
1979	328.1	14.7	10.1
Balfour Beatty	409.7	10.0	5.2
BICC Cables	138.3	3.7	1.9
BICC Industrial Products	362.0	37.2	10.2
BICC International			

ment of a new finance director from Ford, 35-year-old John Martyn, to assist Shankland. The injection of some outside talent helps to generate a sense of momentum and an awareness that, even though UK demand may be static, cables is a good business to be in.

BICC is after all the world's largest exporter of cables. Its products are used in Boeing airliners, North Sea platforms and Chinese power stations. It knows the business backwards, with commercial and manufacturing strengths which many companies would envy. While there will never be much money to be made at the "commodity" end of the market, a good deal of the business involves higher quality and higher technology where BICC should be able to stay ahead; it is not an industry vulnerable to large-scale import competition.

The fact that the UK is the source of engineering support for the overseas companies, where demand for cable is growing faster than in the UK, is another reason why investment in research and development is essential.

Moreover, there are technical changes in BICC's traditional businesses, notably the introduction of optical fibre in telecommunications; BICC is co-operating with Corning of the U.S., the leading world producer of optical fibre.

There are, in short, plenty of opportunities in cables; exploiting them requires management and engineering talent of the highest calibre.

Meanwhile, two of BICC's other three legs are doing well. Balfour Beatty (see this page) is confident that it can continue to increase its profits in

of research and engineering, points out that BICC has traditionally been a supplier of components to the "energy-dependent" sector of electrical engineering.

Now the balance in electrical engineering is shifting towards the "communications-dependent" side and BICC must shift with it. That means, among other things, a greater involvement in electronics.

BICC has never been in the leading edge of technology; it has no thought of competing against IBM or Texas Instruments. But it has a deep knowledge of the electrical industry. It knows about continuous manufacturing processes and how to control them, about materials (plastics as well as metals) and about producing components which last a very long time. In his approach to acquisitions Ian Hinton, managing director of Industrial Products, has been looking for activities which are not too far from the things BICC knows about, but have a somewhat higher technological content and good growth prospects.

An example is what is now called the Mining Equipment Group, supplying telemetry and other devices for the remote control of underground mining.

What has become totally clear is that BICC has no need to imitate its former American associate, General Cable, in making a drastic change of direction away from cables. The U.S. company—BICC's 20 per cent stake was sold in 1978—has got out of power cables, renamed itself GR Technologies, acquired a manufacturer of electronic components and is now looking for another high-technology company with sales of over \$200m. So far the strategy is working, but the risks are high and for BICC diversification does not have anything like the same priority, at least for the next few years.

This is not to say that takeovers will not be made, especially if they complement an existing activity. The U.S. continues to be attractive if the right business becomes available. Ideally, it will be privately owned, with good management, making electrical or electronic components of medium technology; it will not be a "turnaround situation."

With the arrival of Sir Ray Pennock some of the impatience for making a really large acquisition may tend to fade away. His influence, stemming from his ICI experience, will be in the direction of making the maximum use of BICC's existing assets rather than venturing into activities where the management has no expertise. The dominant position in cables is itself a valuable asset, particularly in view of the growth in energy-related investments around the world. So, too, is BICC's international network.

Although the manufacturing subsidiaries are mostly in the old Commonwealth countries, the combination of overseas investment, direct exports from the UK and Balfour Beatty's contracting activities gives BICC a worldwide presence which Sir Ray intends to build upon. The emphasis will be on understanding the things which BICC is good at, and doing them better.

PLANT AND MACHINERY SALES

- 1) ROLLING MILLS
12in x 30in x 35in wide x 400 hp Four High Reversing Mill.
5in x 12in x 10in wide variable-speed Four High Mill.
3.5in x 8in x 9in wide variable-speed Four High Mill.
10in x 16in wide fixed speed Two High Mill.
10in x 12in wide fixed speed Two High Mill.
6in x 16in x 20in wide Four High Mill.
150 x 100 mm x 15 hp rolls Two High Tape Rolling Mill.
110 x 100 mm x 10 hp rolls Two High Tape Rolling Mill.
 - 2) WIRE FLATTENING AND NARROW STRIP ROLLING MILL
Two stand by RWF, 10in x 8in rolls.
 - 3) CUT/LENGTH LINE 1,000 mm x 2 mm.
 - 4) CUT/LENGTH LINE 750 mm x 3 mm.
 - 5) CUT/LENGTH LINE 400 mm x 3 mm.
 - 6) SLITTING LINE 1,220 mm x 5 ton coil by Cam.
 - 7) SLITTING LINE 920 mm x 10 ton coil by Cam.
 - 8) SLITTING LINE 300 mm.
 - 9) SLITTING MACHINES 36in and 48in by Weybridge.
 - 10) SLITTING LINE 920 mm x 2 mm x 2 ton coil A.R.M.
 - 11) PLATE SHEAR 4ft x 1in Cincinnati.
 - 12) GUILLOTINE 8ft x 0.125in Keetona.
 - 13) 1 RICE SCRAP SHEAR 75 x 35 mm Bar.
 - 14) SHEET LEVELLING ROLLS 920, 1,150 and 1,850 mm wide.
 - 15) HYDRAULIC SCRAP BAILING PRESS, Fielding & Platt.
 - 16) FORGING HAMMER 3 cwt, slide type, Massey.
 - 17) VERTICAL WIRE DRAWING BLOCKS 24in dia x 25 hp, Farmer Norton.
 - 18) AUTOMATED COLD SAW, non-ferrous, Noble & Lund.
 - 19) WIRE DRAWING MACHINE, MARSHALL RICHARDS VARIABLE SPEED & BLOCK FACEMAKER (25 hp x 22in in line, non-slip Drawblocks).
 - 20) TWO HORIZONTAL DRAWBLOCKS 36in and 24in, Farmer Norton.
 - 21) WIRE DRAWING MACHINE 9 DIE cone type, Unity.
 - 22) WIRE DRAWING MACHINE 15 DIE cone type, Marshall Richards.
 - 23) NINE BLOCK WIRE DRAWING MACHINE AND SPOOLER by Barco (24in x 25 hp drawblocks).
- Wedgebury Machine Co. Ltd.
Oxford Street, Bilston
Tel: 0902 42541/2/3 - Telex: 335414
- WICKMAN 6 SP AUTOMATIC 13", rebuilt to maker's limits.
WICKMAN 6 SP AUTOMATIC 12", rebuilt to maker's limits.
WICKMAN 6 SP AUTOMATIC 25", reconditioned to maker's limits.
200 TON HYDRAULIC PRESS, Excellent.
LARGE INTERNAL GRINDER, swing 5ft, excellent.
200 TON CLEARING PRESS, inch stroke.
Rolls Tools Ltd.
154/6 Blackfriars Road, London SE1 8EN
Tel: 01-928 3131 - Telex: 261771

'Nimble feet' at Balfour Beatty

"Contracting is a business for entrepreneurs," says Denis Rooney, chairman of Balfour Beatty. "You have to be light on your feet, quick to see an opportunity, then put all your effort behind it. General management has to be very close to the workface." It is a view shared by Don Holland, who succeeded Rooney as managing director when Rooney became vice-chairman of BICC in 1978.

It is this nimbleness which has enabled Balfour Beatty to change the balance of its contracting business in the 11 years since it was acquired by BICC—from power generation and transmission to other forms of civil engineering and construction, from the UK to a stronger international presence.

In a sense this points the way for BICC as a whole, since Balfour Beatty has built on its existing strengths and for the most part has grown organically rather than by acquisition. But it is, of course, far easier for a contractor to change direction quickly than for a manufacturer, with its heavy commitment to fixed assets.

When Rooney became managing director of Balfour Beatty in 1973 he divided the group into four operating companies—Balfour Beatty Construction (civil engineering for power stations, tunnels, harbours, roads, bridges and other big projects), Balfour Beatty Power Construction (specialist construction such as overhead transmission lines and electric traction), Balfour Beatty Electrical (electrical and mechanical services) and Balfour Beatty Engineering (engineer constructors, project management and consulting engineers).



Denis Rooney: "Contracting is a business for entrepreneurs"

Turnover of the group, amounting to £328m last year, is split roughly 50-50 between home and overseas, compared with 75-25 in favour of the UK ten years ago. Rooney and Holland are reasonably happy with the present balance. Overseas Balfour Beatty has been moving into the top league of civil engineering contractors.

A big fillip to its credibility was the award of the £200m Jebel Ali Harbour project in Dubai, where Balfour Beatty has a joint venture with Dubai Transport Company

and Stevin Construction of Holland. It was by far the biggest contract Balfour Beatty had undertaken and the work has gone according to schedule. It is now preparing to bid on the even bigger Bahrein causeway project, this time in association with Taiwanese and Japanese contractors.

On the engineering side Balfour Beatty has recently taken steps to extend its interests in the oil and process industries, through a partnership with Litwin of the U.S. The intention here is not to attack the U.S. market, but to

use Litwin's expertise and reputation with the oil and chemical companies to develop a process contracting business in other parts of the world. Balfour Beatty also intends to go further in project management, taking on complete responsibility for power stations and other major installations.

Balfour Beatty's ability to generate cash has been valuable to BICC in the last few years, but a contractor also benefits from being part of a large group. The asset backing is important, especially in large projects where performance bonds have to be lodged. There is scope for complementing Balfour Beatty's down-to-earth engineering skills with imaginative financial packages. Whether the prize is a hotel project in the Gambia or a hydro-electric scheme in the Philippines, the availability of finance on suitable terms is as important as the ability to handle the contract efficiently.

Denis Rooney must take most of the credit for steering Balfour Beatty out of some disastrous contracts which came to light after BICC had acquired the business in 1969. His tough approach to management, with responsibility pushed down the line and tight budgetary control, is very much in evidence.

He thinks Balfour Beatty should contribute around 25 per cent of BICC's profits but probably not much more; contracting is risky and by the law of averages some orders are bound to go wrong. But if the UK manufacturing companies could emulate Balfour Beatty's profits growth, Sir Ray Pennock would have little to worry about.

Oratorical guide for the tongue-tied

BY JASON CRISP

ANYBODY who has had to sit through a dull and dreary speech—and who hasn't?—will be all too uncomfortably aware of the deficiencies of many speakers.

The other side of the coin is that many people who have been asked to speak—however well they know their subject—will

be filled with abject terror at the prospect.

To help them in their task of addressing the world more interestingly and entertainingly the Institute of Personnel Management has just published a slim but useful little tome by Winifred Marks called "How to give a speech."

A natural orator would find little assistance in this book, but how many of us are natural orators? Standing in front of an audience evokes in us feelings more appropriate to an early Christian saint facing a hostile mob on Chesil Bank, which is how Ms Marks graphically describes it.

She warns that nervousness makes speech-makers defensive. This depresses their spontaneity and emotion, making them concentrate on reason and logic. "Our language becomes impersonal and cold, our demeanour stiff and unapproachable."

magic secret of public speaking which will turn the quaking stammerer into a confident, mellifluous and fascinating new being. Ms Marks provides a careful, simple guide to all the right things to do and all the pitfalls to avoid. Most of it is common sense—the one thing which seems to desert so many people when they get up on their hind legs.

To begin with, she cautions against even agreeing to give a speech until you have all the basic information you need to know: such as who you will have to talk to; how knowledgeable the audience will be on the subject; whether the speech will be formal or informal; exactly what they want you to talk about; for how long; when and where the event will be; what the place is like; what sort of equipment there is available for visual aids; whether there is a meal involved (there's nothing like having to eat a second dinner); and how you

will be able to get home. Simple stuff, you may say, but would you have remembered to ask before accepting? Simpler but equally useful information is also provided on researching and structuring material for a talk.

A large part of the book is devoted to how the speaker should try and hold the interest of the audience. The author emphasises the need for humour, clarity, simplicity and good pronunciation to help win over the audience—and above all win friends.

The book's own simplicity makes it a particularly useful and reassuring one for the inexperienced speaker. Indeed, the more experienced may benefit from checking their own faults against it.

How to Give a Speech, by Winifred Marks is published by the Institute of Personnel Management, Central House, Upper Woburn Place, London WC1, 128pp, £1.95 (softback).

Are you tired of being caught on the hop by bouncing rubber prices?

Be prepared—follow the trends read the experts' forecasts in

FINANCIAL TIMES
WORLD COMMODITY REPORT

a specialist weekly newsletter

For a sample copy and/or subscription details, write to:

The Subscription Dept. (WCR)
The Financial Times Business Information Ltd.
Minster House, Arthurs Street
London EC4R 9AX

American Company Information

— for the first time direct from a source in the UK

This is done through an exclusive contract arranged between the Financial Times Business Information Service and Disclosure Inc. of Washington.

It is now possible to obtain the detailed reports which around 12,000 U.S. companies must regularly file with the U.S. Securities and Exchange Commission (SEC).

The SEC requirements for disclosure of company information are far more rigorous than the UK's equivalent system. Reports 10K, 10Q and 8K, Annual Reports and Proxy Statements are immediately available here. Other documents can be obtained from the U.S. at short notice.

A wall-chart has been produced showing, at a glance, the title and content of each report document. Return this coupon and we will send you a free copy.

Send to: Margaret Fenwick, Sales Manager,
The Financial Times Business Information Ltd.,
Blackfriars House, 10 Cannon Street, London EC4A 3DF.

I want to know more about your American Company Information Service.

Please contact me ☐ Please send me a free wall chart ☐

Name: _____
Position: _____
Address: _____
Tel: _____

Registered Office:
Blackfriars House, 10 Cannon Street,
London EC4A 3DF.
Registered in London No. 264251.

DISCLOSURE
FINANCIAL TIMES
BUSINESS INFORMATION SERVICE

ML Air Courier Services

Deliver on time
Hong Kong and worldwide daily

Tel: Heathrow (09327) 80341
Telex: 8811248 (MLAIR)

Sites of the season

by DAVID PIPER

One of the more reliable amenities, now that April is here, is that the country house season has opened. English weather in spring is however notoriously fickle even more than at other seasons, and so country excursions are perilously vulnerable. A visitation to a country house, on the other hand, can be conducted satisfactorily, unexposed to weather, apart perhaps from a short dash from car park to house door, although if you wish for country air most houses offer gardens or parks for strolling. And at a great many you can get proper teas (scones, cakes) of a calibre that has now almost disappeared from the London catering scene and indeed from most domestic ones.

If en famille, you can seek out the estates that have swung vigorously into a full showbiz operation—at Woburn or Long-leat, your children need not even be exposed to a whiff of culture, so extensive are the zoological or fairground counter-attractions. For more artistic tastes, other houses offer more closely defined specialised pleasures. Among these, in the Home Counties (thickly studded with great houses though that region is), Waddesdon Manor takes a very prominent place indeed.

Specialised, Waddesdon undoubtedly is: the final—not so much fling as peony effulgence of the strongly French-accented so-called "nouveau-riche" style of the 1860s and 1870s. Not that the Rothschilds, by then undoubtedly rich, were exactly nouveau-riche in the 1870s. Baron Ferdinand de Rothschild raised the bare top of a hill near Aylesbury, and forced-flowered on it a French chateau complete with mature trees, menagerie, and exotic aviary (now a flash of naturalised macaws can sometimes be seen in the grounds). The architect was French, the landscape gardener was French, and the accent of the interior of the house was, and remains, predominantly French. The effect of the whole was no less indisputably Rothschild, and is

undoubtedly so a century later. The house has in fact been governed throughout its whole existence by virtually two generations: that of its creator Baron Ferdinand and his sister and successor Miss Alice, who died in 1922, and that of Mr. James de Rothschild (d.1957) and his wife. It was Mr. de Rothschild who left it all to the National Trust. Under the autocratic but unerring eye of Mrs. de Rothschild the National Trust has cherished it since into its present exquisite balance between domestic country house and what is in effect an important museum. Among a fascinating assemblage of memorabilia, including photographs, in one corner is the slender superbly elegant wedding dress that Mrs. de Rothschild wore in 1913. Last month, alert and undimmed, Mrs. de Rothschild presided over the inauguration of the last room in the house that can be opened to the public. They started in 1959 with 11, the total is now 28.

In this "New Room" (and so named) are shown examples of still further extensions of the Rothschild taste—Baron Ferdinand's passion for hunting, as for French 18th-century buildings and hand games; Miss Alice's dried autumn leaves. Mr. James's colms (a powerful heavy-jowled sequence of Roman emperors), and likewise his amber bottles—collected in China. Entirely congruent in the whole is the latest arrival—an English needlework rug, finished on February 29, 1980 (I doubt if the date was artificially contrived but rather happened inevitably so).

It is the congruence of taste, sustained by the unbroken family continuity, that is the special astonishment of Waddesdon, finding expression in formidable almost relentless rich density. Even the flowers in the rooms seem, while immaculately fresh, to consist of parts of the collection. I have collected the collection specialist, but the sumptuous harmony of taste embraces a whole range of distinct specialties. The nearest counterpart in London to the state rooms on



Waddesdon Manor—a Buckinghamshire chateau

the ground floor must be the Wallace Collection (of which Mr. James was in fact a trustee); comparable wealth here of Louis XIV and Louis XV elegances in furniture, baroque jewel figures of vast pearls fantastically in gold or silver-gilt, ebony or ivory; with gold boxes, miniatures and rings.

Upstairs are some more overtly museum-like displays, but the large vitrines in the Long Room with costumes and textiles, the caes with glass, with lace, the clusters of the famous collection of buttons—all are designed to merge into the mood of the whole house, and there is no sense anywhere, as tends to happen even in the most carefully tended of open houses, of *rigor mortis*, of a dead arrest of time. Yet Waddesdon is a museum. Its catalogue of its collections must be the envy not only of many great provincial collections (two large volumes, for example, on the

walls, horizontal surfaces and vases) but of several national ones. Glass and enamels, porcelain, sculpture, all are accounted for in their own volumes. Weapons and armour too (rather unexpectedly, they were an especial province of Miss Alice; visible in the Bachelors Wing open only on Friday, connoisseurs' day).

But overall, the favour is far from institutional, nor should it be—though it could so easily be—indigestible. Decorum yes (children under 12 are firmly excluded from the house) but somehow it remains humane, even endearingly so. Some- where in the grounds a notice says "No motors here." I didn't sight a telephone at Waddesdon; I know there are some, but I suspect when you use one you speak "down" it.

Waddesdon is open till late October, Wednesdays to Sundays, 2-6 pm.

furniture, clocks and gilt bronzes alone) but of several national ones. Glass and enamels, porcelain, sculpture, all are accounted for in their own volumes. Weapons and armour too (rather unexpectedly, they were an especial province of Miss Alice; visible in the Bachelors Wing open only on Friday, connoisseurs' day).

But overall, the favour is far from institutional, nor should it be—though it could so easily be—indigestible. Decorum yes (children under 12 are firmly excluded from the house) but somehow it remains humane, even endearingly so. Some- where in the grounds a notice says "No motors here." I didn't sight a telephone at Waddesdon; I know there are some, but I suspect when you use one you speak "down" it.

Waddesdon is open till late October, Wednesdays to Sundays, 2-6 pm.

Royal Court

Hamlet

by B. A. YOUNG

There's not much music in this Hamlet, but there's a freshness that brings to many of the lines a feeling that we are hearing them for the first time.

The production is not treated as a star vehicle for Jonathan Pryce, nor does he in any way try to make it one. He is inclined to flatten out some of the more poetic verse by putting a full close at the end of every phrase, and he is a bit niggardly in his allowance of humour, one of Hamlet's better qualities. But he never loses sight of the text.

Or rather what is left of the text, which has been ruthlessly and rather insensitively cropped, depriving us of all the vital first scene, one of the great vigors, and several vital lines, such as "And shall I come hell?" and (in the closet scene) "Is it the king?" More-over—unforgivable impertinence—the First Player's speech about Priam has been replaced by some dreadful lines by Christopher Logue, who speaks them admirably.

The loss of the Ghost is

another liberty hard to justify. Hamlet is given some of his lines, though not enough to tell what is omitted. He breaks off his own dialogue with a choking sound that suggests imminent sickness and speaks the Ghost's words as if possessed. Thus both the battlement scenes are virtually lost. One result of this is that Horatio is almost written out, and as Jariath Conroy plays him perhaps this is as well.

The King, in Michael Elphick's hands, always sounds like a good con-man, that is to say he speaks with apparent belief in what he says but never persuades one that he is here, an hour-glass there, a cloudy figure halfway through a door. It was wrong, though, to give Hamlet that great arras in his mother's closet, under which he crawls to stab Polonius point-blank, and then to use it as the background for Fortinbras's arrival en route for Poland.

Despite all the cuts, the production runs for something like three hours and 40 minutes.

On the whole William Dudley's sets are very good, making use of lines of arches movable into different positions to change the venue. Glimpses through *trompe l'oeil* shutters show sinister details, a skull here, an hour-glass there, a cloudy figure halfway through a door. It was wrong, though, to give Hamlet that great arras in his mother's closet, under which he crawls to stab Polonius point-blank, and then to use it as the background for Fortinbras's arrival en route for Poland.

Despite all the cuts, the production runs for something like three hours and 40 minutes.

National Theatre

Pick of the Platforms

by MICHAEL COVENEY

Ken Dodd would probably describe the National Theatre as a magnificent shed. The concrete austerity is chipped away at from the inside by the seemingly endless activities and "projects" supervised by Michael Kustow. Platform Performances are given in the early evening on certain days and, with what queues at the box office, knapsacks round the information counters, and music huffs sprawled on the tarmac, it is a scene of unrelenting activity.

Waddesdon is open till late October, Wednesdays to Sundays, 2-6 pm.

hounding back at you off big windows.

Three of the Platform Performances currently available were collected in a special package programme in the Olivier last Wednesday. And a very interesting and rewarding afternoon it turned out to be. First, we had Iris Murdoch's neo-Platonic dialogue, *Art and Eros*, with Andrew Cruickshank presiding masterfully as Socrates over a dinner-jacketed conference after a theatre performance. Laugh lines like "Did Plato enjoy the play?" soon gave way to a riveting discussion on the nature of Art, designed by Gail Hicks's dissident Plato as "the final cunning of the human soul." Socrates, naturally, had the final and irrefutable say on the subject, but the ground was thoroughly and lucidly covered beforehand, including strongly put views of Art as eroticism, social weapon, imitator of life, and bourgeois diversion.

The middle piece comprised four Woody Allen sketches, some of them derived from his

New Yorker stories. Harry Towle led the cast, giving good impressions of a Bogartian private dick signed up to track down God, an intense extrapolator of the virtues of an obscure Swedish playwright with hilariously satirical excerpts from the plays, and a dress manufacturer buying time from the figure of Death by beating him at gin rummy.

Finally, Vaclav Havel's *Protest* examined the role of the artist in a repressive society by contrasting the restrained passion of a recently jailed dissident (John Normington) with the tortuously Jesuitical arguments of a successful television writer (Robin Bailey) as to why he should not sign a strongly-worded protest at the incarceration of a pop singer. The playing was subtle and utterly gripping, providing another impressive piece in the work of this playwright from behind closed doors. Mr. Havel is serving a four-and-a-half-year sentence and it is indeed admirable that the National Theatre should support him both as artist and individual.

Sadler's Wells

Mary Queen of Scots

For Thea Musgrave's *Mary Queen of Scots*, introduced to London last week by Scottish Opera, I can summon up only a rather negative vein of praise. It is the kind of 20th-century opera one could try out with confidence on almost anyone, secure in the knowledge that few pains will be caused, few difficulties of manner and matter. Though the musical idiom is "modern," the composer has taken care to sweeten it at key points. The plot is of course, familiar and its dramaticity, even if unwieldy in the outer acts and somewhat uncertainly balanced in matters of timing and control of incident, shows a more than basic command of operatic skills.

The opera is not boring; in commission it was, it obviously remains a pleasure to perform (which is in itself a compliment to the work performed). Colin Graham's production goes with a swing; the chorus evinces real enthusiasm; with one exception, a Riccio with a most un-musical-like roughness of tone, the leading players, notably Catherine Wilson in the title role, Gregory Humphrey (Bothwell), and David Hillman (Darnley), give elegant musically skilful accounts of their roles—indeed, Mr. Hillman is in every respect outstandingly good. The composer's recent very serious illness caused

Meredith Davies to take her place as conductor of this revival at a very late stage; from Tuesday's performance, well delivered by the Scottish Opera Orchestra, you would hardly have guessed as much.

And when all that is said, what a hollow evening! Musgrave has taken so few real chances, has opted so openly for a crowd-pleaser, a big, popular success, that this becomes in the end the opera's only real *raison d'être*. Mostly, the music employs and amalgamates a range of stock operatic devices, tricks, routines; and though it does so with a good deal of cunning and craft—the lullaby is just one-sequence that falls into place without either jar or the faintest surprise—it seems unable, except in one scene, to articulate a dramatic world of any real freshness or native vigour. (The exception is the Court Ball, its dances and the interruption thereof vividly worked into the situation—one begins to sit up and pay attention.) The diction of the libretto is ridden with cliché: the fact that this matters, as in so many famous and popular operas it does not, is a key to musical achievement. *Mary Queen of Scots* "works"—but its way of doing so is depressingly unambitious.

MAX LOFFERT

Elizabeth Hall

E. C. O.

by ANDREW CLEMENTS

For anyone who had hitherto regarded much of Hans Werner Henze's output with suspicion, his music of recent years has been a welcome surprise. Since 1977 Henze has written mainly instrumental music—three string quartets, a solo violin sonata, an evening-long ballet on the Orpheus legend—and the economy of means of the chamber works at least curbed his "destructive" seam of self-indulgence. Of his abundant creative talent there has never been any doubt, and to see it resurface in abstract musical arguments was timely and encouraging.

The *Aria de la Folia española* came also from this period, written in 1977 for an American chamber orchestra and only now reaching London, though the Bournemouth Symphony Orchestra gave the first British performance last year in Bristol. It formed the first work in last night's programme by the English Chamber Orchestra, conducted by Gerd Albrecht. The starting point for what turns out to be not an aria at all, but a 20-minute symphonic study, is the Portuguese *La Folia* dance used by Corelli and a number of his contemporaries, and (via Corelli) by Rakhmaninov. The theme appears, played quietly, on the violas after a spiky, Stravinskyan introduction; after that, the shape is only occasionally discernible, buried in thick, apparently unrelated, textures

or lying on the top of splashy piano chords. The chamber orchestration (there is also a version of the work for full symphony orchestra) is, spectacular, but some of the gestures seem too large to the resources: the use of percussion sometimes overbalances the few strings; brass and woodwind can easily swamp the texture. A short way into the work the significance of the *Folia* theme is to a large extent lost; later on Henze introduces a fandango rhythm as if to remind us of the dance element. It's an attempt to reimpose direction on what becomes a rambling, structure of short-breathed paragraphs, intermittently engaging, but finally overwhelmed. There are too few landmarks to aid the listener, too much intent on building substance out of effect. On a first hearing it suggested a regrettable return to the old undisciplined composer.

Mr. Albrecht followed the Henze with Mozart's last C major piano concerto, K. 593, in which the soloist was Michael Delbert. Mr. Delbert won the Leeds competition final playing this concerto and its austerity suits his impersonal, scrupulously polished style. But he produced last night a consistently raw, unyielding piano sound—whether the fault of the instrument or the performer it was hard to tell—and made few concessions to the orchestra's accompaniment. Elegantly turned woodwind solos were frequently buried under prosaic keyboard figuration.

Festival and Elizabeth Halls

Operetta concerts

On South Bank, where they avoid like the plague repetition of classical masterpieces during the same period of time, they allow coincidences of another kind. On Saturday evening in the big hall, Radio 2 and the GLC presented Stars of the Vienna Volksoper celebrating Offenbach's death and the birth of Robert Stolz (White Horse Inn, *Wild Violets*) while a stone's throw away there was a Gala Night of Gilbert and Sullivan starring Peter Pratt, veteran of the D'Oyly Carte and other fields. That the Festival Hall was well filled for Offenbach and Stolz while the Elizabeth Hall was full for the native product presumably indicates an unsatisfied public appetite for operetta home-grown or foreign.

As the intervals coincided, one could slip from the long first half of Gilbert and Sullivan to a second part, except for one waltz by Stolz, all Offenbach. No new or stimulating comparisons were sparked off between these two masters of light music. Neither Sullivan nor Offenbach is at his best under concert conditions, even with dainty costumes and roguish dance routines for the former and a battery of mikes and spotlights for the latter. Between styles of performance however there were marked differences, not in our favour.

Peter Pratt still delivers Gilbert's point numbers with crusty authority. What is more, he and the conductor (Peter Murray) remained securely in touch. For this one could almost forgive a less than generous reference, in Mr. Pratt's in-

formal introduction, to the non-British entertainment next door. Gillian Knight, Terry Jenkins and Harry Coghlin, familiar from operatic stages, sang capably without noticeably raising the mild temperature. The chorus of Young Savoyards looked pretty but only moderately well-drilled, the London Savoyards Orchestra were apparently and inexcusably unfamiliar with some of the notes. The audience, beaming with good humour, lent support to the theory that G. and S. fans never go to anything else. The saddest thing of all is the suspicion that they don't remotely realise how good a composer Sullivan is.

The stars of the Vienna Volksoper (hardly luminaries by international standards—Karl Dönch, though announced, did not appear, are not superior to their English colleagues in vocal quality). They are, though, seasoned performers accustomed to playing to a mixed and largely popular audience, well able to put their material across at high voltage. The Viennese rightly honour the adopted Parisian who by persuading Johann Strauss to try his hand at operetta became a founding father of the Viennese school. Their Offenbach was vital and enjoyable in its own way—the wild of Europe separated Helga Papoušek's Letter Song from *La Périchole* from the warm, intelligent infections of a regine Crespin, but the Viennese way is also worth hearing. Equally so in Peter Minich's "Es wohnt in mir dein Bild," a vocal version of the "Abendblatter" waltz.

RONALD CRICHTON

Elizabeth Hall

London Sinfonietta

by DAVID MURRAY

Perhaps Good Friday was not a good day for an intentionally "popular" programme by the Sinfonietta. It is hard to think of any other reason for the thin house they drew: the musical fare offered was obviously not taxing, but some of it was fresh, and Walton's familiar *Facade* was enlivened by Fenella Fielding and Richard Baker, and all of it was as scrupulously prepared as one expected. In its holiday vein, in fact, it was a model Sinfonietta programme.

If Miss Fielding and Mr. Baker did not draw crowds, they justified themselves remarkably well as the reciters of *Facade*. I suspect that getting the chance to deliver *Facade* is a secret fantasy widely harboured, and many a household name has been given it and come to grief. The Sinfonietta's chosen pair displayed unshakable rhythmic sense as well as the essential breath control (it was a cheat, though, to divide the non-stop fantasy about Alfred Lord Tennyson between them). Mr. Baker excelled in numbers where the joke is enhanced by sedulous BBC intonations, and of course Miss Fielding where knowledge and/or a fruity relish for arcane words is to the point. (Dame Edith used to make theoretically more, nonetheless, of the climax of "Through Gilded Trellises"—a piece played magically this time—and of Black Mrs. Behemoth's invocation.) Elgar Howarth con-

ducted a precise and imaginative performance.

Earlier, five Sinfonietta players had given so sympathetic a performance of an account of Richard Rodney Bennett's *Commedia*—a musically piece, but tame and frail for its length and indeed its title—that ooe's attention was held continuously. The novelty of the concert was a new instrumentation of Satie's *Mercur* (billed unfamiliarly as *Avantures des Mercur*) by Harrison Birtwhistle, whose intention was to realise in the orchestral sound "the individuality and the quirkiness which distinguish the music." The 1924 score was for a ballet with Picasso and Massine, and certainly its homespun textures are self-evidently plain. Without cheap grotesqueries, Birtwhistle's version points up transparently a particular view of the music, one which answers to our current hindcasts about Satie: the dry pungent colours it adds sound perfectly natural. It deserves to have a long concert life (even without Miss Fielding's charming delivery of the ballet scenario), but not to pre-empt Satie's original: for one thing, the hard string writing of the original recalls the inspired *Mori de Socrate* of three years earlier—and nobody would try to improve that!—so strongly that it almost declares that Satie must have known what he was doing. Birtwhistle has sacrificed for illuminating purposes, but we don't want to lose it for good.

TENNIS

by JOHN BARRETT

Lesson for McEnroe and Connors

THE TALL, balding Swede, Lennart Bergelin, the guru who is always behind the scenes when Björn Borg is on court, allowed himself a rare smile.

"So far, so good," was all he would allow himself after the 23-year-old world No. 1 had carved his way through the highest class field, Monte Carlo has seen since the war, to win his third tournament of the year.

To Bergelin, as much as to his protégé, this is a testing year for the amount of competition has been drastically cut so that Borg will play only seven tournaments.

Two of those must be "drop-back" events—tournaments of lower prize money than the \$175,000 to be won at Monte Carlo and in the other main Grand Prix events. Accordingly, Borg played at Nice the previous week to open his season, following his initial success early in January in the Masters Tournament in New York.

He came through that pipe-opener without apparently suf-

fering from lack of match play. In fact, his opponent in the final, Marnet Orantes of Spain, himself no slouch on clay, confessed in Monte Carlo last week that he felt absolutely powerless and could not see anyone defeating Borg on his favourite surface in the foreseeable future.

Borg was playing on his home courts, the beautifully situated Monte Carlo Country Club, and there was an air of confidence about all that Borg did. To defeat in successive rounds, Peter McNamara (Australia); the Czech former world junior champion, Ivan Lendl, one of the most improved players of 1979; Jose Luis Clerc, a member of the Argentine Davis Cup team which beat the U.S. recently; then his old rival, Vitas Gerulaitis; and, in the final, Guillermo Vilas, the left-handed Argentine No. 1—all without the loss of a set and with only one week's match preparation, demonstrated more clearly than words that Orantes is right.

The other interesting aspect of last week's tennis was the

eclipse of the world's No. 1 and No. 3 players, both Americans, John McEnroe and Jimmy Connors, on a surface which has never really suited either. McEnroe is refreshingly honest about his difficulties.

"I guess I shall have to work on my patience. These courts are really very slow and you cannot get away with anything less than a perfect approach shot. I get too impatient and try to end the rally too soon."

I do not believe that either Connors or McEnroe will ever get the results in Europe that their talents deserve until they spend sufficient time to learn the subtle rhythms of European play court clay.

As they both have admitted, it is a mental problem—a question of being prepared to swap drives, all night if necessary, while waiting for the right ball on which to launch an attack.

It is a lesson which the Australians used to find it hard to learn in the old days. I remember sitting at Stade Roland Garros on the eve of the French championships in the

1950s watching Rod Laver on his first visit. He was playing a young French giant, Jean-Noel Grinda in the annual International Club match and was struggling, quite unable to impose his aggressive game against subtle and resolute defence.

The Australian manager, Cliff Sproule, turned to me as he left the stadium following Laver's defeat and said: "I think I'll have to introduce Rodney to the lob."

Ballot sets pay at Glass Bulbs

EMPLOYEES of Glass Bulbs, Chesterfield, have voted by ballot to accept an 11.5 per cent pay rise and have been praised by the company for their common sense.

The company warned its 1,200 workers that they could price themselves out of jobs if they demanded an unrealistic pay rise.

TREVOR BAILEY ON SPORT AND THE GOVERNMENT

Politicians at odds with athletes

IT MIGHT be said that the most worthwhile feature of the interminable arguments and publicity about participating in the Moscow Olympics has been to remind people of the Afghanistan invasion. Without the massive media coverage of the proposed boycott, the war itself might have faded even further into the background.

The request by Mrs. Thatcher and Parliament that British athletes should not participate has been rejected by the British Olympic Association, most of the administrative bodies representing the sports involved, and most prospective competitors. This was entirely predictable and provided a perfect example of the lack of understanding between sport and politics.

Although there were excellent reasons for boycotting the Olympics, the campaign to ban them has been ineptly handled and badly timed, and above all has suffered from inadequate reconnaissance. Unless the conflict in Afghanistan gets worse, the odds must be on the Moscow

Olympics taking place and the threatened boycott, far from demonstrating Western unity, will have the reverse effect.

It is hard to comprehend the naivety of the parliamentary suggestion to stage some form of alternative competition to the Olympics without even consulting the sporting bodies concerned. Quite apart from such a scheme being literally and logistically a non-runner, it must have struck athletes and administrators how the Government's willingness to absorb these costs, because it suited its political strategy, contrasted sharply with the money it currently spends on athletic amenities, which lags far behind most European countries.

Although ideally sport and politics should be kept apart, this is plainly impossible in the modern world where governments spend ever-increasing sums to subsidise sport. It represents a good investment, a point far more appreciated by the Communist countries because in addition to the obvious benefit to health and

leisure, it also provides first-class and comparatively cheap propaganda through winning medals, particularly in the so-called amateur sports.

It has taken British Governments, both Conservative and Labour, rather longer to understand the new political possibilities of sport.

The social and economic changes in our society since the war have greatly increased the wealth, status and influence of outstanding athletes, especially in sports which appeal to television and commercial sponsorship. They have become current national heroes, success symbols in a grey country. In this connection it was significant that President Carter, who initiated the Moscow boycott and must be disappointed by the response, used Muhammad Ali as his envoy in an effort to influence black Africa.

The average world class sportsman or woman is far too self-centred and dedicated to bother with politics, and has even less time for politicians. He simply wants to compete

against the best, irrespective of their government, and also to capitalise on his own ability in whatever way possible.

The sporting administrator, like the politician, needs to be an expert in-fighter. He will usually combine a passion for his own sport with a blindness for its imperfections; while his outlook tends to be conservative, parochial, and somewhat self-righteous, strongly resenting criticism and outside interference.

A few weeks ago, former and current internationalists drawn from various sports were invited by Lord Thorneycroft, chairman of the Conservative Party, to an informal, and non-political, lunch. None of us was a current administrator so we could, and did, speak entirely freely.

From the discussion, the major point to emerge—and, one hopes, to be noted—was the lamentable lack of communication between Government and sport. Although a closer liaison will not always achieve agreement, it should help to reduce confrontations. There have been too many in recent years.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BF
 Telegrams: Finantime, London FSA. Telex: 8954971, 883397
 Telephone: 01-243 8000

Tuesday April 8 1980

The task for Sig. Cossiga

THE RAPID formation of a new Italian Government, announced just before Easter, is good news both for Italy and for the EEC as a whole. It is good for Italy because the country's worsening economic problems will clearly soon need firm treatment. The annual inflation rate is now more than 20 per cent, the public sector deficit is running well over the ceiling set for 1980, and the lira has lost most of its recent strength. It is refreshing, too, to see that Italian politicians can shed their usually lethargic approach to political crises if they need to—the new Cossiga cabinet was put together in the near-record time of 18 days.

Chairmanship

For the EEC, the resolution of the crisis in Rome means that the Italian Government can now devote its full attention to its role of President of the Community, at a time when there is a pressing need for skilful chairmanship. Italy's current international responsibilities, including the hosting of a world economic summit in Venice in June, are another reason why a prolonged period of political uncertainty in Rome would have been undesirable.

First and foremost, Signor Cossiga and his team will have to try to defuse the explosive situation caused by the Community's continuing failure to find an answer to the UK's demands for a substantial reduction in its budgetary payments to Brussels this year. After postponing the nine-nation summit originally set for the end of last month, on the grounds of his domestic crisis, Signor Cossiga now has two or three weeks to prepare for the rescheduled Heads of Government meeting. He is reported to be planning a tour round the other Community capitals to explore whether a compromise can be put together that will get everyone off the hook.

In many ways, Italy is well-placed to act as mediator in the dispute, in which the two extreme positions are held by Britain and France. Signor Cossiga is a skilful politician. In Signor Emilio Colombo, he has a veteran of EEC diplomacy who has a high reputation for his handling of the intricacies of international negotiations. The importance Signor Cossiga attaches to the Community is

underlined by his creation of a new post of Minister for European Affairs, to be held by Signor Gianni De Michelis. Italy, too, is well placed to see both sides of the argument. Like Britain, it is one of the poorer EEC countries which feels it has had a poor financial deal from the Community. On the other hand, it is an extremely "communitaire" country which believes that Treaty rules should be kept and the aggressive pursuit of national interests should not be allowed to endanger the edifice of European integration. In the dispute so far, it has kept its hands reasonably clean.

It is to be hoped that the British Government will co-operate fully with any Cossiga initiative. In the first place, it is high time that the problem was solved. In the second, Italy could prove a useful ally for Britain in the future—both countries share the aim of reducing the proportion of farm spending in the Community budget and increasing the amount spent under other headings in the poorer countries. In the past Britain has tended to discount Italy in Community decision-making, and it is true that Rome tends to carry less weight than the country's size would indicate. But that is no reason to refuse a potentially good friend.

Communitists

There can be no guarantee, of course, that Signor Cossiga will be able to solve either his own country's or the Community's problems. In Rome his Government is widely regarded as yet another interim arrangement. For the first time since 1974, the Socialist Party is included in the Christian Democratic coalition, giving it a majority in Parliament. But the long-running dilemma of Italian politics, the extent to which the Communists should participate in Government, remains unsolved. Divisions among the Socialists on the issue could easily undermine the new Government. It must be hoped that the new formula will enable Italy to discharge its international responsibilities in the coming months. But in a country in which the last 35 years have seen no fewer than 39 Governments, it would be foolish to be over-optimistic as to the new regime's life expectancy.

Not working on the railways

BRITAIN'S railways are the most expensive in Europe, but Britain's railmen are the paid the lowest. It is this paradox which makes the current British Rail pay negotiations more difficult, and more important, than might be suggested by the gap between the unions' demands for 20 per cent and the employers' offer of 17 per cent.

For the past 10 years British Rail has been caught in a vicious circle of rising costs and declining usage, even as its employees' wages have fallen relative to those of other groups. It is clearly in the interests of unions, management and rail-users to reverse these trends. But with the level of Government support declining steadily, the financial constraints on BR are now so tight that the conditions for raising productivity are becoming difficult to create.

Equipment

In 1976, British Rail identified up to 40,000 jobs that could be cut by 1981 without reducing the size or quality of the rail network. Less than one quarter of this reduction has actually been achieved. Union opposition has not been the only reason for the failure of the manpower programme. Indeed the rail unions have at times shown considerable interest in negotiating on productivity. Yet, many of the productivity improvements envisaged in 1976 depended on new equipment coming into operation: for example, suburban trains with sliding doors suitable for one-man operation. But BR's investment ceilings since then have not made adequate allowance for the replacement of obsolete equipment and for new labour saving investment. Furthermore, delays in the renewal of rolling stock have increased the amount of maintenance required to keep the railways going. To make matters worse, even the investment ceilings set in real terms each year have not been attained, because the cash limits which were supposed to allow for these investments have regularly made inadequate allowance for the rate of inflation.

Of course, even without new investment there could have been abundant opportunities for manpower savings, merely

through changing working practices. But Government constraints on the pay rise of the Labour administration made productivity bargaining difficult, because of the overriding emphasis on fixed pay norms in successive incomes policies. This year's pay negotiations could, therefore, mark a turning point in BR's labour relations. However, BR's precarious financial position allows very little room for manoeuvre. There is no scope to pay in advance for phased productivity improvements, to be achieved over a period of years. The manpower savings which are required in order to pay for wage increases at anything approaching the rate of inflation have to be implemented more or less immediately.

The only alternative, given falling Government subsidies, is to increase fares much faster than inflation. This would result inevitably in a sharp drop in volume—for the Inter City services 7.5 per cent of passengers are lost for every 10 per cent increase in fares. Clearly there are similarities between the predicament of British Rail and that of the British Steel Corporation. But retrenchment in the railways could be less traumatic than in the steel industry, since the financial constraints placed by the Government on BR, stringent though they are, do not demand the transformation nearly as spectacular as the one required from BSC. In spite of the fact that the railways absorb much more public money than steel or any other industry, the Government is right not to squeeze BR even harder.

The case for providing railways with Government subsidies, under strictly controlled conditions, is economically irrefutable and is recognised throughout the world. Public transport provides significant benefits to society as a whole, and not just to individual transport-users. It is, therefore, inevitable that the gains from many rail services, particularly those in congested urban areas, cannot be completely equated with the prices passengers are prepared to pay for them. Attempts to operate rail services at a profit can lead to fares rising to a level which discourages the most efficient use of a nation's transport infrastructure.

TRADE EMBARGO ON SOVIET UNION AFTER THE INVASION OF AFGHANISTAN

The loopholes in Mr. Carter's technology sanctions

THE SOVIET Union will survive even more comfortably than Rhodesia did. This is the view of Herr Otto Wulf von Amerongen, President of the West German Federation of Chambers of Trade and Industry, when he was asked at the Leipzig spring fair about the impact of the trade embargo which the U.S. is trying to impose on Russia in retaliation for its invasion of Afghanistan.

Nearly three months after President Jimmy Carter first unveiled his measures to limit the export of high-technology and strategic items to the Soviet Union, they look like failing. The measures, expanded three weeks ago to cover industrial know-how as well as technology, have been greeted with scepticism from U.S. business, met near-scorn from businessmen abroad, and elicited only a token response from America's own allies.

At Leipzig—the premier East-West trade centre—one West European representative of a U.S. company which sells high technology products both to the Soviet Union and to Eastern Europe found East European buyers displaying unusual interest in his company's analytical and measuring equipment manufactured in Western Europe. They wanted to know if their countries fell under the same restrictions as the Soviet Union. The representative gave the standard reply: the U.S. Government was not granting licences for the export of the company's machines to Russia.

In other words, as long as the breadth of the embargo's intended impact was unclear, East Europe offered the Soviet Union a potentially huge loophole. Three weeks ago it was confirmed in Washington that U.S. policy towards Eastern Europe indeed remained unchanged; before that, commercial counsellors in Western embassies in Eastern Europe were saying that their governments would allow sales of high technology products in East Europe. In Leipzig one of them said simply: "We are not in a position to know whether they will pass it on to the Soviets."

The possible East Europe loophole is matched by others this side of the East-West brierly. When the embargo weapon was wielded out for grain, high technology and even athletics, the high technology ban always looked the least substantial. U.S. high technology exports to the Soviet Union were very small. Total U.S. manufactured goods exports to the Soviet Union last year amounted to only \$600m, of which perhaps one-third were classifiable as high technology, and \$200m does not buy much in the way of sophisticated electronics.

The sense of stage management has thus been present from the beginning. When, for example, a few days after the ban was announced Mr. Philip Klutznick, the Commerce Secretary, announced that high

technology licences for goods worth over \$1bn had been refused, the impartial observer could be permitted some scepticism about the size of the figure. It turned out that the \$1bn would have been spread over more than a decade.

That is not to say that no U.S. deals of significance have suffered. Three have. They are the Armo scheme to build an electric arc steel complex 350 miles south of Moscow, Alcoa's participation in a \$100m smelter project in Siberia and (hardly a high technology item, but recently roped in as such) Occidental's \$200m contract to supply 20m tonnes of superphosphoric acid fertiliser to the Soviet Union over 20 years in return for Soviet supplies of ammonia.

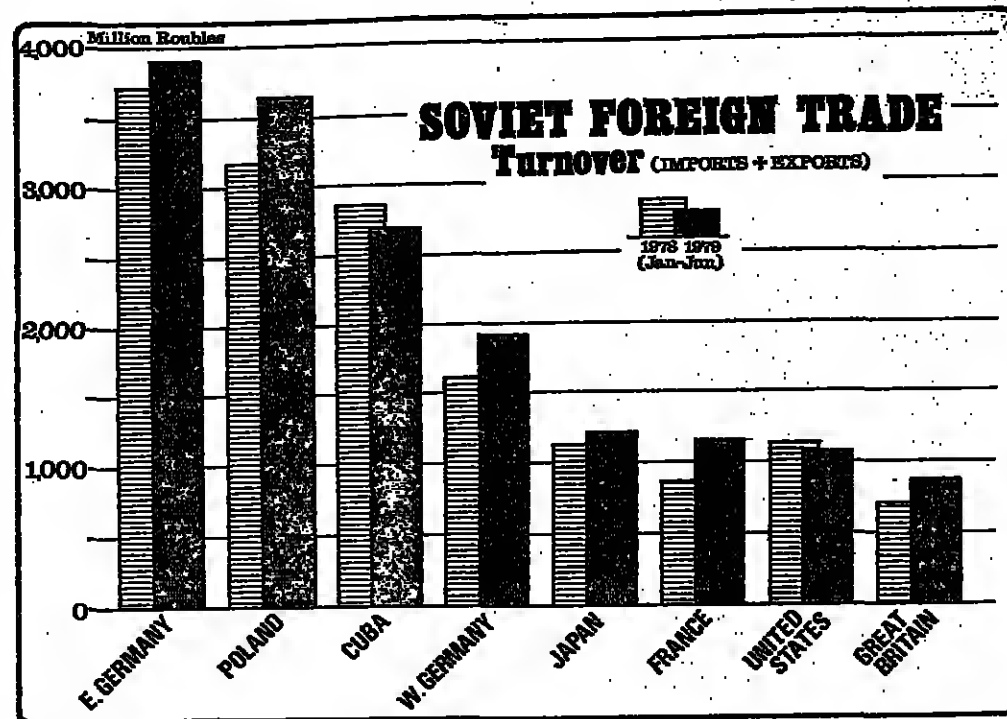
Some uncertainty surrounds the eventual outcome of all these projects. Armo had been given until the end of last month by the Russians to get its export licences; it says it could not get them and was, along with its partner Nippon Steel, out of the contract. Alcoa still says its part in the Siberian job is "suspended" and will not answer questions about whether it might come back in again in the future or whether its partner, Klockner of West Germany, is prepared to go ahead without it.

Supping with the Devil

Occidental is a publicly aggrieved at the Presidential ban and Mr. Armand Hammer, the company's 81-year-old chairman, went to Moscow to see President Brezhnev to ask him not to cut off the ammonia supplies. Mr. Brezhnev responded with an indication that the ammonia would continue to arrive and with a long analysis of the Afghan situation, arguing that the Russians might pull out if the Americans agreed not to interfere and made sure that Pakistan remained similarly quiescent. When Mr. Hammer came home with this message, he was treated in the media like someone who had supped with the Devil and become tainted in the process.

As with the grain embargo and the proposed Olympic boycott, the pain which President Carter's specific trade measures inflict on the Soviet Union depends on the active participation of America's allies. So far the degree of support seems inadequate. Businessmen in Europe and Japan are extremely reluctant to join an embargo. One Italian businessman commented recently: "Sanctions are all very well if everybody applies them. But we are certainly not going to risk seeing an important contract which we have been negotiating for many months going to a competitor."

Armo's chairman firmly believes that Creusot Loire of France will now win the Soviet steel contract, although the French company said two weeks



ago that it had not re-opened discussions on the contract since losing to the Armo-Nippon steel consortium last year.

The cost of pursuing tougher action against the Soviet Union was illustrated a fortnight ago; Moscow awarded contracts worth \$118m to two French companies for fabrication yards to build oil rigs for the Caspian Sea. The deal was the first major Soviet commercial decision since President Carter announced trade sanctions. British experts on Soviet trade say that the failure of more experienced bidders—one British consortium and one U.S.-based—reflected Soviet reluctance to

fourth parties in other countries. In rapidly-developing, high-technology areas like computers it is also often possible to substitute suitable non-U.S. items for embargoed components.

This was done in the celebrated case of a U.S. deal stopped by President Carter in 1978 because of the trials of dissidents in the Soviet Union. TASS, the Soviet news agency, was to have bought a computer from Sperry Univac to meet its needs for the Moscow Olympics. Despite U.S. pleas, the French company CII-Honeywell-Bull then hid for the contract along with others, getting round any restrictions on an American

Special assessments by CHRIS SHERWELL in London, IAN HARGREAVES in New York, LESLIE COLLITT in Berlin, ROGER BOYES in Bonn, PAUL BETTS in Rome, and TERRY DODSWORTH in Paris.

deal with these two countries while they are taking a tough line over the Afghanistan invasion.

A representative of the U.S. company emphasised the point at Leipzig: "If the Soviets don't get the equipment from us, the French or the Japanese will offer them an equivalent product. Take my word for it, the entire embargo is unenforceable."

Even where embargoed U.S. products have a clear technological superiority over Western competitors, non-American intermediaries may be able to circumvent restrictions by buying the embargoed equipment and re-selling it to the Soviet Union. Although a re-export licence from the U.S. may be necessary, businessmen say privately that regulations can be hy-passed by extending the chain of sale using third or

Honeywell computer by offering a French equivalent. In what now looks like an important precedent, the company won the Soviet order.

Plainly Western businessmen will only comply with an embargo if they are obliged to by their Governments. It also entails having some means to enforce the ban. At the moment the prospects look poor.

The main scene of battle is Paris, the meeting-place of the Consultative Group Co-ordinating Committee, or CoCom. This secretive committee of officials, from NATO countries plus Japan, co-ordinates national controls on exports to the Soviet Union, Eastern Europe and China in order to provide a measure of Western conformity. It maintains a list of restricted products for which member countries apply similar

West Germany is the Soviet Union's biggest trade partner. Its exports to Russia were up 38 per cent last year and imports up 5 per cent.

Italy, another of Moscow's major trading partners buying Soviet oil and gas, has been even more open in its post-Afghanistan dealings than either France or West Germany. Less than three weeks ago the Soviet Deputy Foreign Trade Minister, Mr. Vladimir Suslov, signed a \$1.5bn, 10-year collaboration agreement in Rome with the Montedison chemicals conglomerate. The agreement includes a deal for the construction of seven chemical plants in the Soviet Union worth a total of \$800m.

The Soviet Minister also had "informal" consultations with Italian Cabinet ministers about a new \$1bn credit at non-commercial rates to replace a \$650m credit line which had been largely used up.

Such trade has not only helped create the Soviet industrial machine, it has indirectly helped the country's military build-up as well, by releasing resources. Against this, however, anti-Soviet hardliners are faced with the argument that the Soviet Union offers important sectors of industry in individual countries large and reliable orders, and that to retaliate now would jeopardise the business which cheap credits attract.

Impossible to police

The Italian stance is in strong contrast to the position taken by Mrs. Thatcher's Government in Britain, which has made great play of a decision not to renew the \$950m credit line negotiated by the previous Labour Government in 1975.

The impact of the UK stand has been questioned, partly because the move was being considered before the invasion of Afghanistan. More importantly the real penalty it inflicts on the Soviet Union is small—a 7.25 to 7.75 per cent OECD consensus interest rate range, as against a 7.1 to 7.45 per cent special range (the rate previously available for Soviet trade). This still offers Moscow a better rate than is available to British companies.

Before Afghanistan there was some feeling in the West that it made no sense to offer the Soviet Union heavily subsidised credits, and this view may since have been reinforced. But joint action in this field by competing economies is another matter.

The history of trade boycotts is not encouraging either against the Soviet Union, as attempted in 1962 by the NATO alliance or against Rhodesia after UDI in 1965. Boycotts have rarely worked, proved nearly impossible to police and been costly to those imposing them. For the moment there seems little reason to believe an embargo against the Soviet Union will be any different.

MEN AND MATTERS

Déjà vu at Milford Haven

EVER SINCE Lord Nelson mentioned in dispatches that Milford Haven was the finest deepwater harbour in Europe, there has been no shortage of entrepreneurs eager to exploit its natural advantages. In the late 19th century there were plans to turn this sleepy Welsh haven into a major transatlantic passenger port. These came to nothing, as did plans to turn it into a key iron-ore terminal, and for the last few decades the Milford Docks Company, one of Britain's few quoted statutory undertakings, has subsisted on little more than fishing.

For years the company Boardroom has echoed with arguments as entrepreneurs come and go with their schemes to transform Milford. Only recently a collection of investors headed by former Slater Walker prodigy Richard Eldridge tried to gain control of the port. This failed, but since then the Milford Docks Board has come under increasing pressure from shareholders demanding to know why they should be expected to continue to provide support in the light of the organisation's unimpressive financial record.

Now, details of Milford's future plans have begun to leak out and I am duly impressed by their ambitious nature: the plan is for a £50m container terminal the likes of which London or Liverpool would be proud to run. The information comes courtesy of Milford's chairman, Charles Smith, who volunteered it to the local planning authority when he was asked for a full explanation of why he wanted to build a new road to the docks. With only the sketchiest of details on financing, Smith explained in a memo that "having passed the first century of use, I believe the time is therefore ripe to plan for the next century."



cohorts look steadfastly to the future, I fear I cannot resist reflecting (and being overcome with a sense of déjà vu) on Nelson's ageing commendation and events since.

Bitter relations

How heartening to see some healing, however marginal, of the rift between the beards and denim and blue-jeans and good works of the beer business. Although the factions represented by the Campaign for Real Ale and the National Union of Licensed Victuallers are still poles apart on most political and practical issues, they have begun to co-operate in promising fashion on a scheme to increase off-sales from pubs.

The idea is to revive the time-honoured but out-moded tradition of taking home draught beer in a saucer-covered jug for consumption in slippers and comfort in front of the telly. A trial run by CAMRA Real Ale Investments in its seven pubs suggested that jug take-

aways could account for 2-3 per cent of beer sales. This has intrigued the conventional landlord who wants to increase their tiny share of the profitable take-home market. They have co-operated happily on the ground-work and are now, I hear, ready to sit down for formal talks next month.

While I assume the jug will still be welcomed in the snug, the landlords hope to improve the attractions of their notion by introducing a dash of modern technology, for the benefit of the jugless. They plan to keep a stock of four- and eight-pint plastic containers for sale behind the bar among the nuts, souvenirs of Benidorm, and pork scratchings.

Pasta joke

As recent extensive exposures of the black economy have shown, today's Italian is not possessed of an overwhelming sense of civic responsibility. Dodging taxes, fines or other bureaucratic levies is on most levels of society regarded as a civilian's "right". The authorities, however, are taking a increasingly hard line, as is evidenced by new moves to extract value added tax from the restaurant trade.

As seasoned expense account travellers will have discovered, persuading a restaurateur to part with a proper receipt is not the easiest of tasks, since every vested bill has to be matched with a contribution from the restaurant owner to the government.

However, a new regulation has just come into force which transfers much of the burden of responsibility to the man who always seems to pay in the end—the consumer. No one eating in a cafe or restaurant, the rules now say, must leave without a numbered receipt complete with VAT charge. To show it means business the Government has said that from October spot checks will be introduced and diners will find themselves and their hosts

ined should they be so careless as to depart without their receipts.

Mining for greens

The inhabitants of Sudbury, Canada, no longer raise their eyebrows at the sight of white-coated men emerging from the depths of International Nickel's worked-out Creighton mine, bearing lettuce, radishes and the occasional tomato.

Loopy as the idea of growing salads 5,600 feet underground might seem, the Canadians have been taking the notion seriously for some time. The Government has even chipped in £30,000 towards the cost of research. "We are cultivating about an acre down there at the moment," agriculturist Dr. Tom Peters tells me.

The most important task at present is perfecting the artificial lighting, crops being subjected to varying lengths of artificial "day" brightened by blends of sodium, fluorescent and other forms of artificial lighting. The logic of spending good money on artificial light for subterranean horticulture in a country as big and empty as Canada might not seem immediately obvious. But Peters claims light is one of the less important aspects of the project.

"In Ontario producing heat for winter vegetables represents 50 per cent of the cost. In the mines we can take advantage of the geothermal heat—for every 100 ft we go down the temperature increases by 1 degree Fahrenheit. At 5,600 ft underground it's 95 to 96 degrees.

Outlook sunny

A thinking man's graffiti illuminating the grim environment of Leicester Square Tube station. "The only safe nuclear reactor is 93,000,000 miles away."



Positions available for OIL and GAS EXPERTS

Petronas, the National Oil Company of Malaysia welcomes British nationals with experience in the petroleum industry to take up positions as technical advisors in such areas as exploration and production, refining, gas utilisation, petrochemicals, etc.

For details please write to:

Expert co-ordination unit corporate planning department Petrolia Nasional Berhad, P.O. Box 2444 Kuala Lumpur 05-03 Malaysia

Cable: Petron Telex: 03549 31123
 Telex: Petron MA31123

هَذَا مِنَ الثَّمَرِ

FINANCIAL TIMES SURVEY

Tuesday April 8 1980

مكتبة العمل

Malaysia

Half way through its 20-year programme of social and economic changes Malaysia is reviewing its achievements so far. Efforts to integrate the Malay majority into the nation's mainstream, in business, education and other fields, are continuing. The economic mainsprings are still the plantations, tin mining and trade but the political climate has changed considerably, with Vietnam's policies in Kampuchea forcing Malaysia to take a crucial role in ASEAN, the grouping of South East Asian nations.



**Born 1910.
Still growing strong.**

We started out in the early 1900s, managing rubber estates in Malacca. And we grew. Expanding and diversifying from our original base in tropical agriculture into all sorts of business activities spread around the globe.

Our home is Malaysia — one of the fastest developing countries in the developing world. We're Malaysia's biggest international company. And we're still growing.

A growing concern



Agriculture • Automotive • Commodity Trading • Engineering • Food and Beverages • General Trading • Heavy Equipment • Insurance • Manufacturing • Packaging • Property

MALAYSIA II

Confident nation backed by rich resources

TO SEE Malaysia growing rapidly more prosperous, and its people growing steadily more self-confident at a time when most countries around the world are swamped with inflation and girding themselves to face economic recession, it is clear that the gods have smiled on this bountiful nation.

Malaysia's wealth traditionally rests on five basic commodities, of which it is the world's leading supplier. The world relies on Malaysia for almost 60 per cent of its palm oil, more than 50 per cent of its rubber, 40 per cent of its tin and most of its pepper.

Malaysia also exports more timber than any other country. As if this was not enough, Malaysia has discovered considerable reserves of oil and is thought to have some of the largest known reserves of natural gas. Income from the export of oil and gas is expected to overtake rubber this year as the country's most substantial earner of foreign exchange.

Benefiting from rocketing oil prices, Malaysia has also seen the price of its other leading commodities settle at record levels during the past year. Export income has risen by 40 per cent and terms of trade have leapt by 14.5 per cent. The economy has managed to sustain GNP growth at a steady 8 per cent during the past five years.

The country has managed for a number of reasons to put its wealth to good use. It is blessed with honest government, a non-political army and a police force with no tradition of corruption. The bureaucracy, while it is growing faster than many would like, is relatively efficient and is also relatively corruption-free. A pragmatic approach to economic development and to foreign investment has paid dividends.

Just as Malaysia has been blessed with natural resources, some would say it has been cursed with the most precarious of racial balances. A steep economic downturn could quickly inflame the simmering racial tensions.

Of the 15m population, only 53 per cent are ethnic Malay, called Bumiputras. Of the rest, 35 per cent are Chinese and 11 per cent are Indian. Most of these were either pushed out of their own countries to seek a fortune wherever they could, or were brought into Malaysia by plantation owners as a source of cheap labour.

The races still keep their separate languages, traditions

1979 ECONOMIC PERFORMANCE			
	Ringgits	Percentage increase on 1978	Percentage increase on 1978
GNP per capita	R3,184	+ 8.3	
Gross exports	R24.02 bn	+40.5	
Gross imports	R17.06bn	+25.0	
Merchandise trade surplus	R6.97bn	+82.51	
Current account	R2.27bn		
Overall balance of payments	R1.79bn		
Reserves at Dec. 31	R5.23bn (seven mths. imports)		
Terms of trade		+14.5	
External debt	R4.52bn	+17.1	
Debt service	R1.34bn	+11.4	
External debt service ratio	1.8% (1978 = 3.8%)		
Total employed	4.7m	+ 3.6	
Unemployment rate	6.1% (1978 = 6.2%)		
Man-days lost due to strikes	24,900 (1978 = 35,000)		
Prime lending rate	7.5%		
S=Ringgit 4.85			

and identities. The deepest resentment is based on the concentration of wealth in the hands of the highly-competitive and entrepreneurial Chinese community. The Malays, by contrast, make up most of the rural poor and over time they have nurtured a fear of being overwhelmed by others in their own land.

The bloody race riots of May, 1969, in which many Chinese were killed, are still vividly recalled. They form a watershed in the history of independent Malaysia. Most government policies—most important of them the new Economic Policy (NEP) designed to discriminate in favour of Bumiputras to redress inequalities and divisions in society—have their roots in the events of May, 1969.

Appalled

Wariness about latent racial tensions was a major reason why the Government of Datuk Hussein Onn pushed the panic button in June last year after 75,000 "Boat People" refugees from Vietnam had arrived on their shores. Western governments, unaccustomed to Malaysia's domestic racial problems, were appalled to see coastal patrol boats towing refugees back to sea and almost certain death. Nevertheless, the crisis tactics worked. After the refugees, and the Western nations agreed to accept more of them, Malaysia now has just 25,000 refugees in camps on its east coast. The number has fallen steadily, and the refugee problem has evaporated as a domestic political issue.

The New Economic Policy, a 30-year programme launched in 1970, is now half complete. Its aims are for a more even distribution of wealth, for a more

balanced distribution of races among the professions, agriculture and industry, for spreading ownership of the nation's industries more evenly, and for providing better educational opportunities for the Malay majority.

In all of these fields it has made progress, particularly in providing tertiary education for Malays and in redistributing equity ownership in Malay companies. In 1970, Malays owned only 2.4 per cent of the nation's equity capital. Foreigners owned more than 63 per cent, while Malaysia's Chinese and Indians owned the rest.

The aim is to boost the Bumiputra share to 30 per cent, with 30 per cent for foreigners and 40 per cent to be shared among the rest. By now, the Bumiputra share has been lifted to 16 per cent, mostly at the expense of foreign interests, whose equity share has been trimmed to less than 44 per cent.

Unfortunately, most of the Bumiputra share has been taken up by institutions since few Malays can afford to invest in their own right, and it is still not certain how the institutions will eventually disburse their holdings.

The emphasis into the Fourth Plan period, from 1981 to 1985, will be on rapid development of rural infrastructure, investment in heavy industries such as steel mills, aluminium plants and downstream plants based on offshore oil.

In spite of progress—perhaps even because of it—racial tensions have increased rather than dwindled. Chinese demands for better educational opportunities and for a Chinese language university—Merdeka—persist. Complaints about discrimination in recruitment and promotion are

as loud as ever.

The Government is not overly depressed by these rumblings, however. Mr Tengku Razaleigh Hamzah, the Finance Minister, conceded recently: "The long-term structural changes that are taking place tend to cause some feeling, disruption and alienation. This is unavoidable (since) economic restructuring raises social, racial and even political tensions in the short term."

Mercifully, the nation's commodity wealth has ensured that redistribution has not been at

Race is crumbling keystone of politics

TO TALK of politics in Malaysia is to talk of race. Political parties either represent racial groups or are fragile coalitions of racial interests.

Most policies are aimed at reducing racial tensions. Racial differences are the basis of the present Government's power and at the same time the source of most of its problems.

The National Front Government, a coalition of 10 parties led by the United Malay National Organisation (UMNO), would seem impregnable. In the general elections in 1978, it swept the board, winning 131 out of 154 seats in the House of Representatives. At the same time, it won majorities in all 13 of Malaysia's state governments.

Despite this apparent strength, the National Front is a frail creation. The dominant UMNO is loudly committed to national unity, but in fact has a deep and continuing commit-

ment to furthering Malay interests. Its coalition partners have narrow racial bases but rely heavily upon the patronage of UMNO for the few parliamentary seats and Government offices that they hold.

The whole political community is ossified along racial lines. It is the declared aim of the present Government to defuse the racial issue, but after more than a decade of sincere effort in this direction, no one can confidently claim that it will succeed.

The problem lies in Malaysia's racial mix: about 53 per cent of the population is ethnic Malay, with about 35 per cent Chinese and about 11 per cent of Indian origin.

Such an even balance would be manageable were it not for the fact that racial differences coincide with differences in wealth and profession: the Chinese, closely linked with

business, hold most of the country's wealth and are concentrated in the important urban centres; the Indians split between the plantations and the professions.

In the words of Dr. Chandra Muzaffar, an academic at the University of Penang, the Malays were left with "the fear of a community that was not only indigenous but poor. The fear of being overwhelmed by others in their own land created a sort of anxiety, a sort of insecurity that was without parallel."

Turning point
Race riots in 1969, in which Malays attacked and butchered Chinese who had been rash enough to celebrate electoral success with too much enthusiasm, marked the political turning point. Democracy was suspended for three years and

heightened by regional instability—in particular the war for control of nearby Kampuchea. As a prominent member of the non-aligned movement, Malaysia has been extremely cautious about pointing a blaming finger. But with other members of ASEAN (Association of South East Asian Nations) it feels immediately threatened.

Recognition

The Government therefore has found considerable comfort in the tremendous volume of international support declared over the Kampuchea conflict. The diplomatic traffic through Kuala Lumpur has been dizzying, and was crowned recently when EEC Ministers gathered in Kuala Lumpur to give formal recognition to ASEAN.

EEC and ASEAN Ministers signed a joint statement in which ASEAN was given full backing for any policy initiatives it decided to take on Kampuchea. Ministers also strongly condemned the Soviet invasion of Afghanistan—which may seem distant from the interests of south east Asia but the issue is of considerable emotional importance to a self-consciously Moslem nation such as Malaysia.

David Dodwell

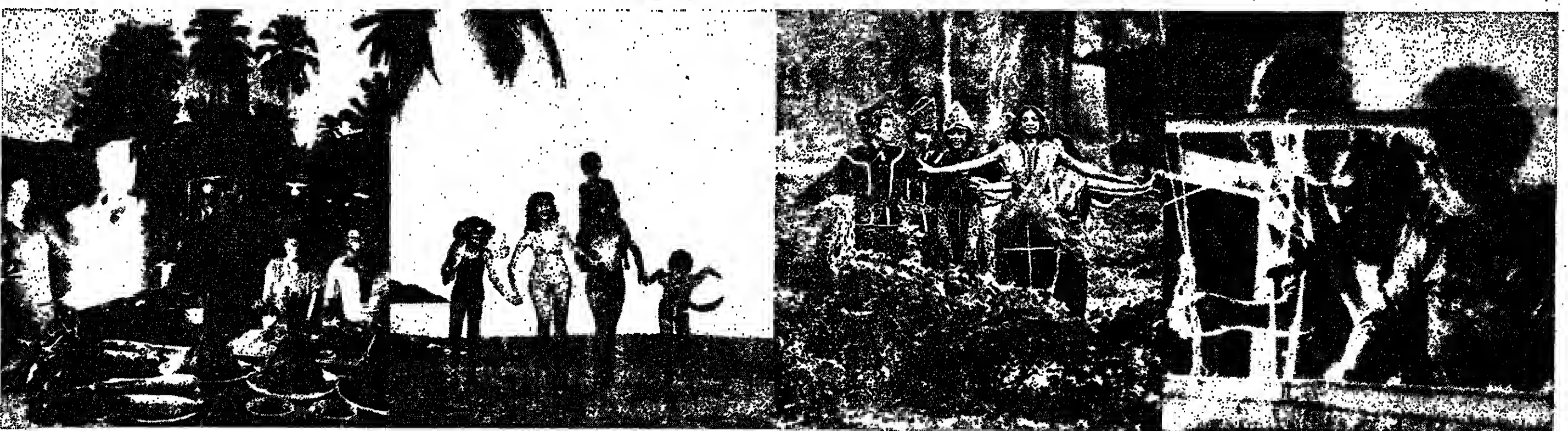


Datuk Hussein Onn: close tabs on the media

BASIC STATISTICS

Area	127,515 sq m (peninsular Malaysia 50,806 sq m)
Population	12.96m
GNP (1978)	R34,608m (\$7,785m)
Per capita	R2,670 (\$501)
Trade (1978)	
Imports: R13,690m (\$3,079m)	
Exports: R17,094m (\$3,845m)	
Trade with UK	
(1978) Imports: £136.60m	
Exports: £139.93m	
(1979) Imports: £187.45m	
Exports: £221.49m	
Currency: Ringgit	£=R4.25 (1/4/80)

BE MOVED BY THE SPIRIT OF MALAYSIA



The Place:

An open-air café, Kuala Lumpur, Malaysia.

The Occasion:

Sharing a meal of 'satay', delicious barbecued mini-kebabs, Malaysian-style.

The Diners:

Aini and Ahmad, cabin crew members, Malaysian Airlines System. Let them show you the same warmth.

Where is Malaysia?

Just north of the Equator, right at the heart of Southeast Asia. With Thailand to her north, Singapore to her south.

The Climate:

Average daily throughout the country: 31°C to 32°C. Hill resorts cooler: from 18°C to 24°C.

The People:

19½ million Malays, Chinese and Indians: a people bubbling with warmth and friendliness: 3 great Asian cultures blending harmoniously into one pulsating potpourri of different lifestyles.

The Language:

Official language is Bahasa Malaysia, but English is widely spoken and understood throughout the country.

Accommodation:

Some of the best hotels in Asia, ranging from luxurious international hotels to government rest-houses and holiday bungalows. Prices in first-class hotels: averaging £13. The rest of the range: averaging from £4 to £9.

The Place:

Penang, Pearl of the Orient, Malaysia.

The Occasion:

A family outing.

The Father:

Basir, chief steward, Malaysian Airline System. Let him show you the same devotion.

Places to visit:

KUALA LUMPUR/MALACCA REGION

Kuala Lumpur, the capital city alive with an endless maze of colour. The people, the food, the sounds all blend to give an enchanting "Little Asia" image. And if you'd like to step back into history, there's Malacca town, just about 90 miles to the south. Or if you'd rather travel north instead, you'd find cool refreshing hill resorts set high amidst lush, green tropical jungles.

PENANG/LANGKAWI REGION

Just a 35 minutes' flight north of Kuala Lumpur is Penang. The "Pearl of the Orient", a tropical island abounding with miles of golden sandy beaches; with a fascinating array of souvenirs in the shops; with sights that hold you spell-bound, like the awe-inspiring Snake Temple. And further up north, in the Indian Ocean, lies Langkawi. A group of 99 islands scattered in splendid solitude, where beaches, coves, lagoons and lakes are shrouded with ancient myths and legends.

EAST COAST REGION

A timeless paradise accessible by air or road from Kuala Lumpur or Penang. Sunny skies, clear blue seas, white sandy beaches where giant leatherback turtles come to lay their eggs.

The Place:

Kota Kinabalu, Sabah, Malaysia.

The Occasion:

Celebrating the Kadazan harvest festival.

The Dancer:

Freda, stewardess, Malaysian Airline System. Let her show you the same grace.

The Place:

East Coast, Malaysia.

The Occasion:

Patiently weaving "kain songket", exquisite Malaysian silk sarongs interwoven with gold or silver threads.

The Daughter:

Zakiah, stewardess, Malaysian Airline System. Let her show you the same patience.

since time immemorial. And in idyllic villages by the shores, see mastercraftsmen at work on silver and bronze; buy exquisite batik and sarongs in threads of gold; watch men fly giant kites, spin giant tops; enjoy authentic Malay arts, craft and culture.

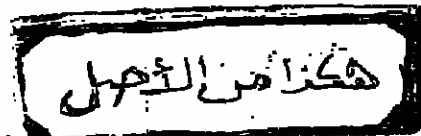
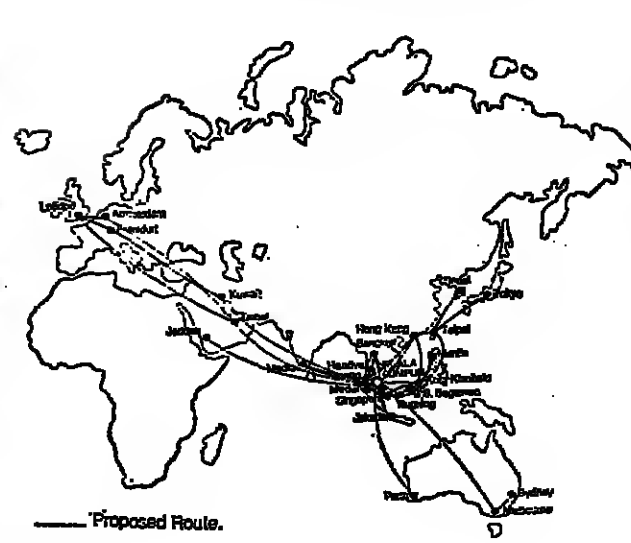
SABAH/SARAWAK REGION

A two hour flight from Kuala Lumpur will take you to Kota Kinabalu, Capital of Sabah. And here your sojourn in adventureland begins. Trek through the primeval beauty of jungles over 100 million years old; climb Southeast Asia's highest peak; visit orangutan sanctuaries. Then moving on to Sarawak, stay in longhouses with friendly descendants of the head-hunters of old; go shooting-the-rapids; or delve into mysterious caves to trace the origins of man.

MALAYSIAN AIRLINE SYSTEM

Flies a modern fleet of wide-bodied aircraft to Asia, Australia, the Middle East and Europe where the growing list of destinations now includes Amsterdam. With 4 weekly London-Kuala Lumpur flights in the United Kingdom. MAS offers more direct services to Malaysia than any other airline.

Within Malaysia itself MAS flies to 36 destinations including all major holiday resorts.



Foreign policy dominated by Kampuchea conflict

MALAYSIA'S hopes that South-East Asia can be moulded into a "zone of peace and neutrality" have been buried in Vietnam's 15-month-old struggle for control of Kampuchea. The conflict continues to dominate all political relations in the region, and with no hint of a political solution in sight, the Government of Prime Minister Datuk Hussein Onn has begun to redefine its attitude towards the countries involved.

As a front-line state, Malaysia feels immediately threatened by Vietnam's military presence in Kampuchea. And as a country at the heart of ASEAN (the Association of South East Asian Nations, grouping Malaysia with Thailand, Singapore, Indonesia and the Philippines) it is also acutely aware of the threat to stability in the wider region.

One senior Malaysian Foreign Ministry official said recently: "A neutral Kampuchea is fundamental to lasting peace in this area. Without this neutrality, South-East Asia is doomed to instability; it will again become a battleground for the superpowers."

Datuk Hussein Onn's Government is adamant that bridges with the Vietnamese Government should not be burned, and so has maintained a steady diplomatic shuttle between Hanoi and Kuala Lumpur. But the events of the past year have undermined Malaysia's faith in Vietnam's willingness to negotiate any compromise over control of Kampuchea.

Tough-minded

Ministers have become sadder and wiser as they have found their sympathetic diplomacy exploited by Vietnam's tough-minded leaders. While still formally committed to finding an early negotiated settlement to the battle for control of Kampuchea, Malaysian officials confidentially fear that Vietnam will come to the negotiating table only after a long, slow war of attrition has sapped its energy to the core.

Following the unproductive visit to Hanoi in February by Tengku Datuk Ahmad Rithauddeen, Foreign Minister. One senior official said: "It is dangerous to make any assessment about Vietnam's willingness to stop fighting, but we now feel we must be prepared for a long haul."

This represents a significant shift, since of all the ASEAN member states, Malaysia (with Indonesia) has bent over backwards to give Vietnam the benefit of the doubt. This was the case when Vietnamese troops first poured into Kampuchea: the Malays sympathised with the claim that this was in relation against Khmer Rouge incursions into Vietnamese territory.

In addition, Malaysians have always had sympathy for Vietnam's obsessive fear of China.

It is a fear they feel themselves. The Malay government was quick to condemn China's lightning invasion into northern Vietnam, whether it was to teach the Vietnamese a lesson or not.

Malaysia, and in particular its flamboyant Home Minister Tan Sri Ghazali Shafie, take much of the credit for solving the "Boat People" crisis, though at the time its harsh and controversial stance was vehemently criticised in the West.

In June last year, with 75,000 refugees already in Malaysian soil and new arrivals touching 20,000 a month, the Malaysian Government set off the alarm bells. Annoyed at what it felt to be the self-righteous complacency of the West, the Government said it would accept no more. It started towing refugees on newly arrived boats back out to sea—some of them to certain death.

Dr. Mahathir Mohammed, Deputy Prime Minister, made the "misquote" of the year by threatening to "shoot on sight" refugees trying to come ashore. Tan Sri Ghazali Shafie later indignantly clarified that Dr. Mahathir had in fact said "Shoo" but the damage was done.

Without this precipitate action, the July Geneva conference on refugees almost certainly would not have been convened so promptly. Nor would it have been galvanised to reach a lasting solution. Vietnam, faced with almost universal condemnation, agreed to halt the exodus for six months. Nine months later, the moratorium is still intact. The Western nations, for their part, promised to accept refugees for resettlement at an accelerated rate. Malaysia now has just 25,000 refugees, and all will have been transferred to permanent homes in the West by the end of the year—provided the flight from Vietnam is not resumed.

Malaysia's success in forcing compromise on the Vietnamese on this issue fuelled confidence that the conflict in Kampuchea could also be solved by mediation. Vietnam has refused to budge. Its troops are as firmly entrenched in Phnom Penh as they were a year ago.

Malaysia's declining faith in Vietnam has been reflected in improved relations with China, Vietnam's most vehement critic. As early as last May, Datuk Hussein Onn visited Peking, ignoring critics who argued that he should not travel in China so soon after its invasion of Vietnam in February.

Huang Hua, China's Foreign Minister, was warmly welcomed in Kuala Lumpur just two weeks ago on a hastily-arranged tour, intended to preempt an imminent visit by Ng Co Thach, Vietnam's new Foreign Minister. The visits are strongly

reminiscent of the courtship of ASEAN that took place in 1973 when Deng Xiaoping, China's senior vice-premier and Pham Van Dong, Vietnamese Prime Minister, visited the capitals of the region in close succession.

Malaysia's leaders are unlikely to shift far however. Their non-aligned image is very precious to them. They sincerely fear south-east Asia being turned into a "hotline" for the big powers, and would like to keep them all at arms' length. For this reason, Malaysia has strongly opposed proposals that



Tan Sri Ghazali Shafie: harsh stance

ASEAN should offer military assistance to the resistance forces in Kampuchea.

The one good thing to come out of the Indo-China conflict is a much closer relationship between the member states of ASEAN. The formal establishment of links between ASEAN and the EEC at a Foreign Ministers' summit in Kuala Lumpur three weeks ago not only marks an important milestone in the grouping's progress towards political maturity, it also crowns a year in which Malaysia has held the chairmanship of ASEAN.

Apart from Indo-China, the Soviet invasion of Afghanistan was also high on the summit agenda. While this conflict is many thousands of miles away, its implications were strongly felt by ASEAN members—particularly in the self-consciously Moslem state of Malaysia.

For all the progress made towards political unity in ASEAN, progress towards greater economic co-operation and free trade inside the region has been slow—some would say disappointing.

Bilateral relations have always been smooth. The Malaysian Government is greatly concerned by economic instability in Thailand and was visibly relieved at the peaceful transfer of power from Gen. Kriangsak Chamonad to the government of Gen. Prem. This has pushed to the sidelines a

niggling row between the two countries over joint operations against Communist insurgents along their shared border.

Over the year, Singapore has given Malaysia some anguished moments. The Singaporeans are seen as the hawks in ASEAN. They have been persistent and uncompromising critics of Vietnam, causing genuine embarrassment to the more pragmatic foreign policy planners in Malaysia.

Age-old territorial disputes still niggle in relations with the Philippines, but similar disputes with Indonesia have not prevented a close relationship being built up. President Suharto of Indonesia spent two days talking to Datuk Hussein Onn at the end of March. The two leaders are understood to have discussed refugees, the situation in Indo-China ahead of a rumoured visit to Hanoi by a senior Indonesian Minister, and the possibility of diplomatic relations being established between Indonesia and China.

Outside the region, Malaysia has not only played an important role in the non-aligned movement, but also in the Islamic movement—particularly at the summit convened in Islamabad in February. Traditionally, warm relations with Egypt have forced on Malaysia the important but invidious role of plying in the middle between Arab moderates and hardliners, particularly over the Palestinian issue.

Malaysia's special relationship with Britain took a bruising when the Conservative Government decided to increase fees for foreign students at British universities. Malaysia sends about 3,000 students a year to Britain and there is little doubt that the jump in fees will divert many of these to universities and colleges in other countries.

Revulsion

Britain's decision to withdraw recognition from the Pol Pot regime in Kampuchea also upset the Malay Government. ASEAN member states feel strongly that in spite of their revulsion at the genocidal rule of Pol Pot's Khmer Rouge Government, continued recognitions is one of the few bargaining counters left to them in negotiations for Vietnamese withdrawal from Kampuchea.

However, Malaysia shares with other ASEAN countries reservations about the "Pacific community" concept. There is a nagging fear that such a community, if it were to become an organised and properly-constituted entity, would overshadow and perhaps overwhelm ASEAN itself. It is seen as a possible vehicle for economic and political domination of the region by superpowers such as the U.S., Japan and perhaps, eventually, China.

David Dodwell

Race in politics

CONTINUED FROM PREVIOUS PAGE

The seat in Port Klang fell vacant on the death of Transport Minister Tan Sri Y. Manickavasagam, who was also leader of the Malaysian Indian Congress (MIC). The MIC, a member of the National Front coalition, has the four seats in Selangor. So that it would have none but an agreement within the coalition not to contest certain seats "reserved" for MIC candidates.

Since Port Klang was one of those "reserved" seats, Prime Minister Datuk Hussein Onn was under strong pressure to appoint a fresh MIC candidate in light of the by-election on a National Front ticket. However, the Malays in the constituency, who made up more than 50 per cent of the electorate, were demanding a Malay candidate. In addition, the opposition Democratic Action Party (DAP) with strong roots in the Chinese community, had been active in the constituency and stood in gain if the National Front was divided.

Two worries

Datuk Hussein Onn, finally deciding to back an Indian candidate, faced two worries: Malay voters might defect to the Malay chauvinist Parti Islam, a party which has made strong gains since the resurgence of Islamic fundamentalism in the Middle East. Second, a victory for the DAP would boost the total of their parliamentary seats to 47, which would be equal to the number of seats held by the Malaysian Chinese Association, the member of the National Front coalition claiming to represent the nation's Chinese interests.

The DAP claims to have the support of 80 per cent of the Chinese in those constituencies it contests, and argues with some justification that the MIC only holds the Parliamentary seats it does because of the protection and patronage of the UMNO. A victory for the DAP would endorse these claims, and undermine the MIC's role as "representative" of the Chinese community.

In the end, the National

Front's Indian candidate won the poll, but not without a heavyweight election campaign supported by a whole panoply of Ministers.

The by-election in Bukit Raya, east of Alor Setar, the state capital of Kedah, is a straight fight between the National Front, fielding a Malay candidate, and the Parti Islam. This poor rice-growing state on the border with Thailand, is known as the "Koram Belt," and the Bukit Raya constituency is a traditional stronghold of the Parti Islam.

In the 1978 election, a Parti Islam candidate won the seat with a 1,101 majority. There are two reasons why the Parti Islam might do well again this time: first, it is campaigning under the banner of "religion, race and party," a call which could have strong appeal amid a resurgence of Islamic fundamentalism.

Second, rice farmers in the region have seen their real incomes decline since 1975, and were recently aggrieved by a bungled Government attempt to raise their rice incomes. Most farmers, confused by the introduction of a complex compensation system, felt their incomes had been cut rather than increased.

By an unfortunate coincidence, discontent over rice prices boiled over into a major demonstration in January which ended with an attempt to burn down the state government headquarters.

The outcome of the election is significant for a number of reasons. First, the Parti Islam lost control of the state of Kelantan in the 1978 General Elections, and cannot afford further erosion of support in what is seen to be a traditional stronghold in the National Front. Second, the UMNO leadership in the National Front is concerned about the resurgence of Islamic chauvinism. Heavy defeat at Bukit Raya would put it under considerable pressure to adopt more openly pro-Islamic policies—pressure already voiced by leaders of the party's youth wing.

The outcome is also important because Kedah is the home

state of Deputy Prime Minister Dr. Mahathir Mohammed. Dr. Mahathir's prospects as a future Prime Minister to some extent depend on his ability to maintain a firm power base in his home state.

At the time of going to press the outcome of the Bukit Raya by-election was not known. Defeat for the Parti Islam would be a great boost for the National Front, and a blow for Islamic fundamentalism. A landslide victory for the Parti Islam would force the Government to repolish its pro-Moslem image. A marginal victory for the Parti Islam is the most likely outcome.

Power base

One might think that with such a massive majority in parliament, the Government coalition could afford to shrug off such threats. But its power base is not as firm as it might seem. While it won 88 per cent of the seats in the 1978 election, it won only 50 per cent of the votes cast. By contrast, the opposition DAP won just 10 per cent of the seats with more than 20 per cent of the vote.

Lim Kit Siang, leader of the DAP, claims with some justification that his party's electoral showing would have been much stronger if electoral boundaries had not been redrawn so strongly in favour of the rural electorate, and if there had not been a ban on campaigning ahead of the election, for reasons of internal security.

The DAP threat is a real one. While it draws most of its support from the Chinese community, it is an avowedly multi-racial party and has broad-based support in most urban areas.

The Gerakan, another member of the National Front coalition, brags power by courtesy of UMNO, and can expect to fight for its life against the DAP in the next elections. Lim Kit Siang feels confident that victory is within reach—unless the Government once again redraws constituency boundaries.

Against this background, the UMNO leadership has maintained a nervous marriage with

democracy since 1972. The Internal Security Act keeps around 1,000 Malays in jail without trial—some of them have been there for 10 years. It has also been used for a number of executions for the possession of firearms.

Lim Kit Siang, who has committed his DAP firmly to support for human rights, said: "The National Front is making the unions virtually part of the Government. As usual, they are over-reacting, and seem determined to see conspiracy under the carpet everywhere they look."

While the Government has set about discriminating in favour of the Malay majority, discontent among the Chinese and Indian minorities has continued to simmer. Frustrations focus on the shortage of university places as preference is given to Malay candidates, to limited promotion prospects as companies strive to adjust staffing ratios in favour of Malays, to reduced business opportunities as access to land and work licenses is reserved for "Bumiputras."

The saving grace has been the strength of the economy, which has enabled the Government to give Malays a bigger share of the cake without taking cake out of the bands of the Indians and Chinese.

So far, economic success has bought time for the Government, but has failed to solve its problems. By 1980, the Economic policy is supposed to have resolved the basic conflicts, but as yet it is not clear how this will be achieved.

In the words of Tengku Razaleigh Hamzah, Finance Minister and a future contender for party leadership: "Economic restructuring inevitably raises social, racial and even political tension in the short term. It is generally accepted, however, that given the record of responsible political leadership and prudent management of the economy, we should be able to continue to do well in pursuing our overriding objectives of national unity."

David Dodwell

FINANCIAL HIGHLIGHTS 1979

	1979 In Million M\$ ¹	1978 In Million M\$ ¹	% Change
Total Assets	1,003.7	510.1	+ 96.8
Deposits & Borrowings	804.8	447.3	+ 79.9
Loans & Lease Receivable, Net of Provisions	658.4	345.9	+ 90.3
Shareholders' Funds	45.7	18.2	+ 151.1
Net Pretax Profit	5.1	3.3	+ 54.5

- During the year the Bank strengthened its capital base substantially through an issue of unsecured convertible subordinated loan notes to its shareholders amounting to M\$15,000,000 and a rights issue of M\$10,000,000 shares at M\$1 per share.
- The Bank was active as a lead-manager in syndicated loans internationally during 1979, particularly for two syndicated Eurodollar loans to the Government of Malaysia.
- The Bank has been very active in the development of bankers' acceptances and negotiable certificates of deposit in Malaysia following their introduction in May 1979. Turnover of negotiable instruments from May till December 1979 amounted to M\$1,276,575,000.
- Substantial progress has been made by the subsidiary, Arab Malaysian Finance Berhad. Total assets increased 59% from M\$97 million to M\$154 million in 1979 and net profit increased 161% from M\$528,884 in 1978 to M\$1,380,010 in 1979.



البنك العربي الماليزي للتنمية ش.م.ب.

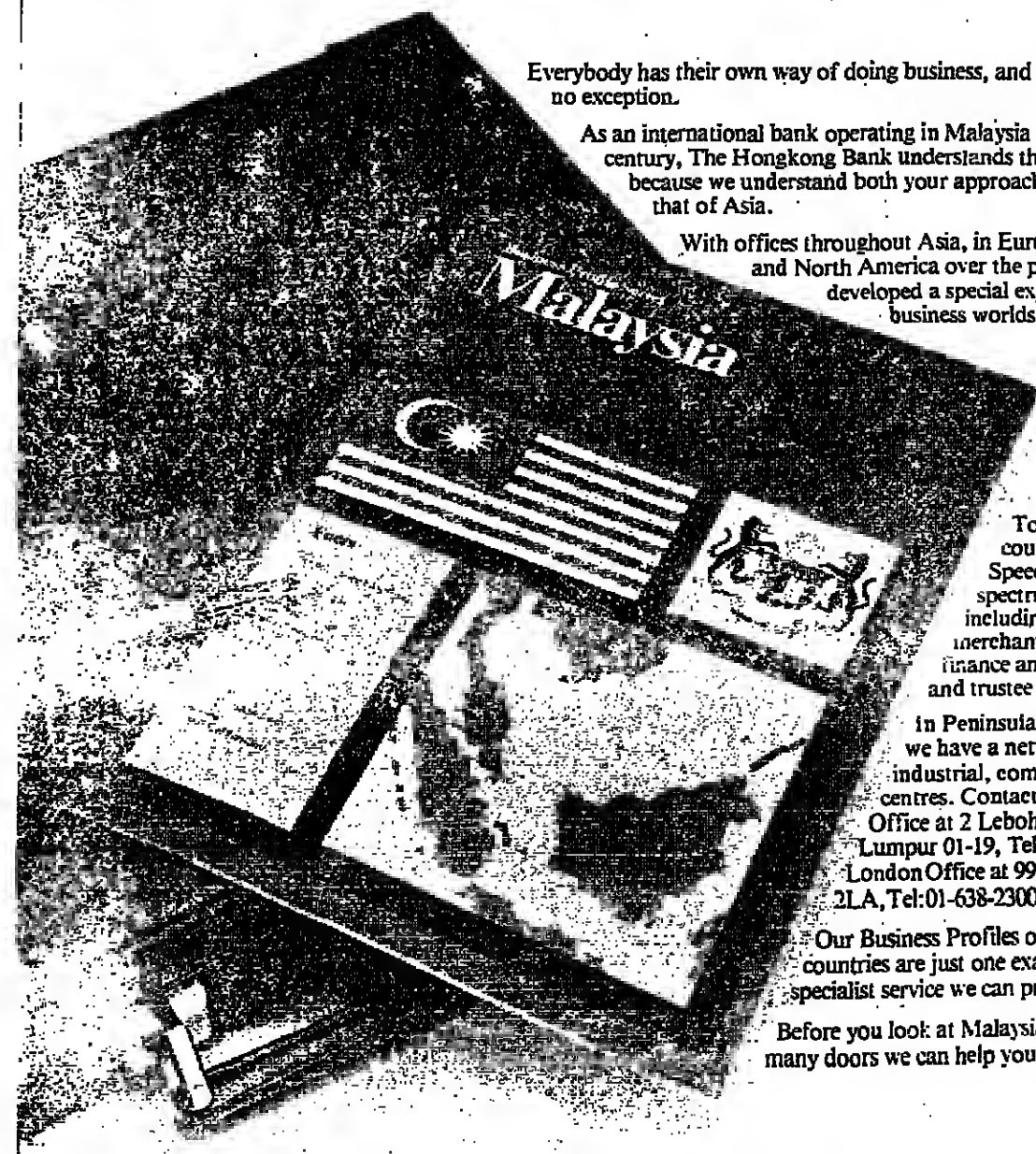
Arab-Malaysian Development Bank

Berhad

Malaysia's largest Corporate Bank

¹ US\$1 was approximately M\$2.1885 at 31st December, 1979.

Business in Malaysia? Go in with our knowledge on your side.



Everybody has their own way of doing business, and Malaysia is no exception.

As an international bank operating in Malaysia for more than a century, The Hongkong Bank understands the subtle differences, because we understand both your approach to business and that of Asia.

With offices throughout Asia, in Europe, the Middle East and North America over the past 100 years, we've developed a special expertise in linking the business worlds of East and West.

Today our 400 offices in 40 countries connected by satellite Speedlink offer the full spectrum of banking services including commercial and merchant banking, insurance, finance and investment management, and trustee services.

In Peninsular and East Malaysia we have a network of branches in key industrial, commercial and financial centres. Contact our Area Management Office at 2 Leboh Ampang, Kuala Lumpur 01-19, Tel: 03-200744, or our London Office at 99 Bishopsgate, London EC2P 2LA, Tel: 01-638-2300, for complete information.

Our Business Profiles on Asian countries are just one example of the specialist service we can provide.

Before you look at Malaysia again, see how many doors we can help you open.

The Hongkong Bank

The Hongkong and Shanghai Banking Corporation

Subsidiaries:

The British Bank of the Middle East

Mercantile Bank Limited

Wardley Limited

Consolidated Assets at 31 December 1979 exceed US\$25 billion

MALAYSIA IV

Wealth of resources an economic bedrock

MALAYSIA'S GOVERNMENT economists, conservative to the last, continue to underestimate the country's powerful economic performance. Their excuse is that some of the wealth is windfall profit from buoyant commodity prices. But with few signs that prices will fall, they are already preparing to do their sums for 1980 again.

While other developing countries stagger from one economic crisis to another, Malaysia has been firmly underpinned by its remarkable wealth in basic commodities. As the world's largest exporter of rubber, tin, palm oil, hardwoods and pepper

—all of which have been attracting record prices over the past year—its coffers are brim full. In addition, Malaysia is almost self-sufficient in rice, and most important of all, is a net exporter of oil and gas. The rapid recent rise in oil prices has doubly benefited Malaysia. Not only have oil revenues leapt by 67 per cent in 1979, with projections that oil will overtake rubber as the single biggest export earner in 1980; the associated rise in price for synthetic rubber has boosted prices for Malaysia's natural rubber. Latest figures for 1979 show a 9.9 per cent boost in

rubber output and a 29 per cent rise in export income. Export values overall rose by 40 per cent in 1979 to Ringgit 24.02bn while the merchandise trade surplus for the year rose to Ringgit 6.57bn. The surplus on current and capital account was Ringgit 2.27bn. Reserves stood at Ringgit 9.22bn at the end of the year, equal to seven months' imports. Terms of trade rose by 14.5 per cent in 1979, taking the improvement since 1975 to about 40 per cent. Gross Domestic Product, at 1970 constant prices, has risen to Ringgit 24bn.

The Government, true to its conservative tradition, recognises numerous worrying signs, however. Most obviously, commodity prices that have risen so rapidly can equally well slump back—particularly if the widely predicted economic recession begins to bite among the western industrialised nations. It is as well to remember that in 1974 a synchronised fall in all of Malaysia's commodity prices trimmed the terms of trade to 68 per cent of their 1970 level overnight. Inflation soared to 17 per cent, and economic growth shrank to 2.2 per cent.

The Government is also concerned about inflationary pressures. A formidable subsidy programme totalling Ringgit 1.28bn in 1979—10 per cent of the federal budget—pegged domestic prices for essential goods such as rice and kerosene, leaving the official inflation rate at around 5 per cent. But cracks are beginning to appear in the Government's price restraint policy, mainly because the price of so many essential imported goods is rising rapidly.

Mr Tengku Razaleigh Hamzah, the Finance Minister, has all but admitted that the price of oil products like petrol and diesel fuel must soon rise. At the same time, property prices are rocketing, while wages are rising by between 10 and 20 per cent a year. Cement prices have leapt by 30 per cent in recent months, rents by 40 per cent, electricity by 20 per cent.

It is widely believed that the consumer price index, heavily weighted in favour of food, is in urgent need of revision. Most independent analysts agree that a properly weighted index would show inflation at about 10 per cent—perhaps not high by international standards but likely to be a shock to a nation used to inflation below 3 per cent a year.

As inflation increases, so there are increasing pressures for domestic interest rates to rise. With a base rate of 7.5 per cent, Malaysia offers some of the cheapest capital available anywhere in the world. But with international rates hovering between 18 and 20 per cent, there is some seepage of capital from Malaysia on to the international markets.

Central Bank officials insist that the net flow of funds is still in Malaysia's favour, and that there is as yet no sign of a fall in private savings, which rose by 51 per cent in 1979. But they concede that if rates on the international markets

stick at their present levels for a long period, then higher interest rates might become inevitable.

Another area for concern is the slow growth in private sector investment, which is paradoxical in view of the cheap capital available. With the exception of investment in oil, which leapt by 28 per cent in 1979, private sector investment grew by just 10 per cent last year. Of this the construction industry, which accounted for 40 per cent of the total, rose by 20 per cent, while manufacturing investment grew by just 7 per cent.

The Government predicts that private investment will fall still further in 1980, to an overall 8 per cent, in part because of recession worldwide and also because of the high cost of imported machinery and other manufacturing inputs. The substantial Chinese business community, discouraged by economic discrimination in favour of ethnic Malays under the New Economic Policy, are also not investing with their traditional vigour.

Interference

Foreign investment, now totalling about Ringgit 1bn a year, is lagging at about half the predicted level. Some blame worldwide recession, others excessive bureaucratic interference in industry through the growing number of parastatal corporations set up by the Government.

To counter the slowdown in economic activity forecast worldwide, the Government has taken it upon itself to provide a counter-recessionary stimulus. Public investment leapt by 22.3 per cent in real terms in 1979, while in 1980 it is expected to grow by another 23.4 per cent. Most money will be spent on agricultural and rural development, education, housing, telecommunications, power and electricity.

Spending in the 1980 budget has been boosted by 17.6 per

cent to counter a slowdown in growth. This will allow public sector demand to rise by around 21.4 per cent in 1980. Between 1976 and 1979, the public sector's share of GNP rose by 3 per cent to 29 per cent.

As the Government prepares the Fourth Malaysian Plan, due to begin in 1981, so heavy investment in large-scale industrial projects can be expected. At least two steel mills are to be built, with an aluminium smelter, and numerous downstream industries based on the country's newly-found oil supplies. This will boost the public sector share in the economy still further.

As the Third Plan period draws to a close, the Government has begun to assess its achievements. The first observation made by Dr. Mahathir Mohammed, Deputy Prime Minister, is that implementation of the plan has been very patchy, mainly because of a shortage of properly trained administrators. To remedy this shortcoming an extra 30,000 officials are to be recruited and trained to administer the Fourth Plan, which implies a 12 per cent boost in civil service manpower.

This may be no bad thing, since the Government predicts a continuing drift of workers from the rural areas to the towns and cities of Malaysia, and foresees the need for a rapid job creation programme in the urban areas. The job shortage is particularly acute for men, since much of the manufacturing industry growing up in the urban areas is based on consumer electronics and textiles, and uses only female labour.

The Government is also beginning to assess how effectively it has achieved the social engineering goals laid down in the New Economic Policy (NEP), which is now half way through its planned 20-year life. The NEP aims to redistribute wealth and economic opportunities in the country in favour of the "Bumiputras".

ECONOMIC INDICATORS

Year	1975-1980				US\$m	
	Unemployment	Consumer Prices	Industrial Production	Current Balance	Foreign Exchange Reserves	
1975	100.0	100.0	100.0	-444	1,321	
1976	88.4	102.6	115.4	647	2,266	
1977	90.2	107.5	125.4	+516	2,688	
1978	85.7	112.3	137.4	-20	3,123	
1979		116.9				

the ethnic Malaysians which make up 51 per cent of the total population of Malaysia, and include most of the rural poor.

A primary aim is to reduce the foreign and Chinese share of industrial and manufacturing equity. In 1979 foreign interests owned more than 63 per cent of equity in Malaysian companies, with 34 per cent in the hands of Chinese and Indians and just 2.4 per cent held by Bumiputras.

The aim is to transfer ownership so that by 1990, Bumiputras own 30 per cent of equity, foreigners another 30 per cent, with 40 per cent in the hands of "others."

Slow progress

Progress has been slow, but significant. Foreign ownership has been trimmed to below 44 per cent, while ethnic Malay ownership has risen to 18 per cent. Unfortunately, few of the poor Malays have been able to benefit from the change; most of the equity transferred into Bumiputras hands has been taken up by institutions or by Malays who are already wealthy.

So the underlying concern over unequal wealth distribution remains. About 30 per cent of the population still subsists below the official poverty line—most of these are in the poor rice-growing areas and on some of the plantations. Government economists and Ministers claim that this seems to be an inevitable phase in the process of capitalist development. They

hope that by 1990 that same capitalist development process will have begun to narrow the gap, distributing more wealth to the country's poor. Plans for rapid infrastructural developments in the rural areas—involving roads, electrification, schools and health services—are all intended to speed this process.

Growth in 1980 is projected at 6.5 per cent, a figure based on the assumption that commodity prices must fall back from the high levels of 1979. Export growth is expected to slip to just 7.3 per cent this year.

To those who argue that Malaysia's wealth is the product of simple luck, Mr. Datuk Musa Hitam, Education Minister and a contender for prime ministership in the years to come, has a blunt answer: "What has happened in Malaysia is not just an accident. Our good luck is the product of foresightedness and planning. Many other countries have greater wealth in resources than we have but have never managed to exploit it. It is the quality of leadership and economic direction in this country that is the basic explanation for our success."

Such comments show a growing self-confidence among Malaysians. This in itself can do a great deal to keep the nation on a path towards rapid and self-sustaining economic growth.

David Dodwell

The
Merchant Bank
That Starts By Listening

BNB

Bumiputra Merchant Bankers Berhad

12th Floor, Raffles Hotel, 101, Raffles Place, P.O. Box 300, Kuala Lumpur.
Telephone Nos: 299483, 299484, 299485, 299486. Cable: BOMBUTRA. Telex: MA30282.

Central bank adheres to cheap money policy

MALAYSIA'S financial system has recently caught the eye of an almost incredulous international banking community for the gravity-defying act of its interest rates.

While other open market economy countries, including the financially important neighbours Singapore, Hong Kong and Bangkok, have been locked into a leap-frogging interest race started by American anti-inflation measures, Malaysia has calmly carried on with a prime rate of a mere 7.5 per cent. It has been at that level since mid-1977.

An upward adjustment must be considered on the cards in the fairly near future, unless, as seems unlikely, Euromarket rates fall as rapidly as they have risen, but Malaysia's rate is unlikely to be raised enough to bring it within striking distance of overseas rates. Currently, rates are on a par with Switzerland and as a result the Malaysian dollar, the Ringgit, is being referred to in some quarters as the Swiss franc of Asia. The comparison is flattering to Malaysia, but the parallel is not exact.

The low interest rates have not been a consequence of a very strong currency. The Ringgit is firm but has shown only slight appreciation against a composite index of other currencies over the past two years. In the face of a very large current account surplus it is seen as surprising that the currency has not done rather better, and used by the Central Bank to dampen imported inflation.

In fact, the bank's strategy has been very different: to retain a low interest rate structure to encourage private sector investment, provide continuing domestic financial stability and discourage inflationary expectations.

Balancing act

Low interest rates have enabled the Central Bank to keep a grip on the growth of money supply in the face of the large current surplus. Its balancing act has been successful so far. There appears to have been some—but not a flood—of capital outflow across the exchanges.

Some companies, especially those with close links in Singapore, have taken to funding more of their operations with cheap Malaysian borrowings and avoid Singapore dollars. Some export industries have delayed repatriation of earnings to take advantage of high overseas rates.

All these factors have helped to offset not just the current surplus and regular capital inflows, but also a surge of portfolio investment into Malaysian resource stocks, particularly from Britain following London's abolition of exchange control. Government controls also play a significant part in insulating Malaysia from overseas interest rates. Though consent to export capital is

readily given, the Central Bank keeps a close eye on what is happening and has ways of influencing banks or large companies which do not behave, so in this way can thwart any rush to repay expensive U.S. dollars with the low-interest Ringgit.

Malaysia's controls increasingly contrast with the policy in Singapore, which has now all but abolished exchange controls but in doing so has exposed its financial system to some gusty offshore winds.

For Malaysia a combination of natural flows and government controls should allow interest rates to be kept relatively very low in the short term. But in the longer run it is probably neither possible nor desirable that such a trade-orientated economy depart radically from international trends. Malaysia will be hoping that current world rates are a passing aberration.

The largest of Malaysia's capital exporters has been the

Government corporation Petronas. It has held a large part of its net earnings offshore not at all to take advantage of higher interest rates, and only partly because it has some eventual heavy foreign currency commitments.

Petronas has done so primarily because the Bank Negara was anxious that it should not add to money supply growth or put too much upward pressure on the exchange rate. (Malaysia's overall balance of payments situation would justify a stronger Ringgit but that would hurt the incomes of the hundreds of thousands of people dependent directly on rubber, palm oil and tin prices.)

The Petronas overseas funds (totalling more than U.S.\$1bn) provide an additional money and exchange rate regulatory tool for the Bank Negara, which effectively controls their disposition.

Even without their repatriation, Malaysia's net external reserve rose from Ringgit 6.8bn (U.S.\$3bn) at the end of 1978 to Ringgit 9.6bn nine months later.

In spite of this surge, the Bank Negara succeeded in containing money supply (M1) growth in the latest 12-month period to 18 per cent, almost exactly the same rate as the previous year. The bank considers that level consistent with an 8 per cent growth in real GDP, a consumer price inflation rate of around 5 per cent and the continuing monetisation of the economy.

The bank still looks to M1 as its principal monetary indicator but M2 is growing very much faster. Fixed deposits, which constitute 55 per cent of total deposits, grew 36 per cent in the latest period and savings deposits by 23 per cent, giving an overall growth in commercial

CONTINUED ON NEXT PAGE

MMC is tin

Malaysia Mining Corporation (MMC) is the single largest tin mining group in the world. Our 42 dredges turn over 150 million cubic metres of tin-bearing ground annually, apart from the production from our Sungai Besi open cast tin mine—the world's largest and deepest. MMC accounts for 10% of the tin production of the free world and 25% of Malaysia's total output.

Now, you can buy Straits Refined Tin direct from us through our subsidiary company, MMC Marketing Sdn. Bhd., set up to market our tin worldwide, or through our London correspondents, The Anglo Chemical and Ore Company Ltd.

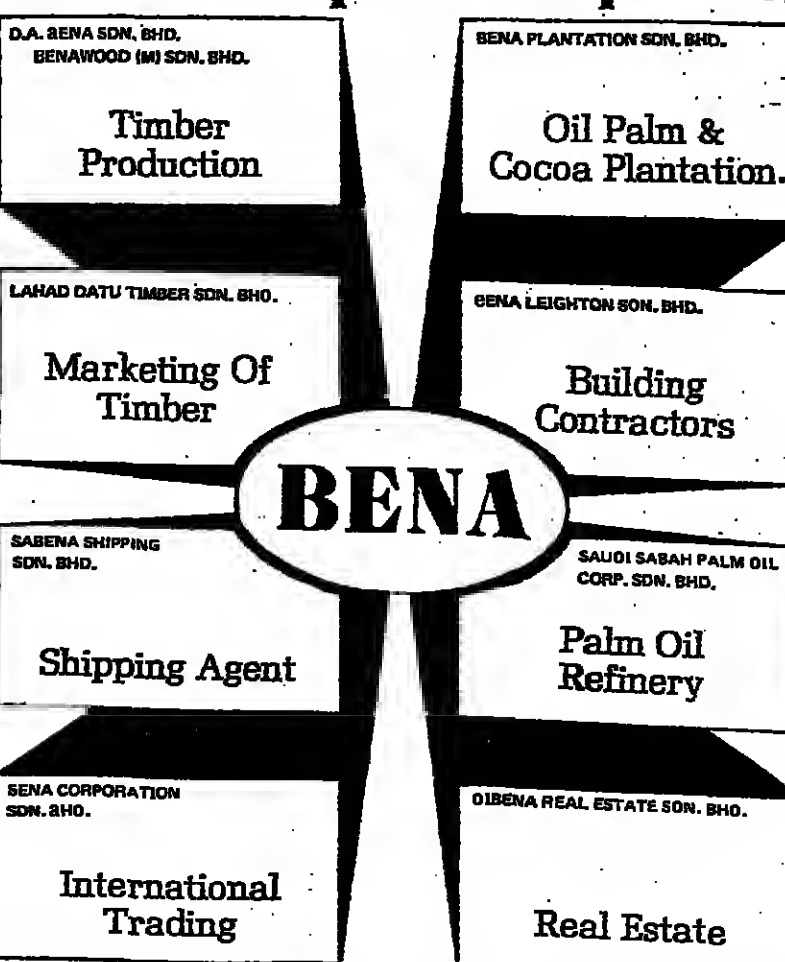
Malaysia Mining Corporation Berhad

For all sales enquiries please contact:
MMC MARKETING SDN. BHD., No. 16 Jalan Tasek, Kuala Lumpur, Malaysia. Tel: 825922/45. Telex: MA3080/MA301108
THE ANGLO CHEMICAL & ORE CO. LTD., Gable House, 55 Basinghall Street, London EC2V 6AH. Tel: 01-635-0811. Telex: 885165/232625.

هكزا من التين

JDA/MS/122

BENA Group Of Companies



Head Office:
Bena (Holdings) Sdn Bhd
Mile 5/6, Tuaran Road
Locked Bag Service 95
Kota Kinabalu
SABAH
Tel: 31911 (3 lines)
Telex: JEMA MA80068

Subsidiary:
BenaWood (M) Sdn Bhd
Lot 1, Jalan Habib Hussin
P.O. Box 735
Tawau
SABAH
Tel: 72065/73344/71291
Telex: BENA MA 83164

Kuala Lumpur Office:
Bena Corporation Sdn Bhd
Tingkat 6 Bangunan Ming
Jalan Bukit Nanas
Kuala Lumpur 04-01
MALAYSIA
Tel: 24521/24503
Telex: BENINT MA 30643

Long-term plan reaches halfway mark

BY THE END of this year, when the Third Malaysia Plan (1976-80) draws to a close, Malaysia will be exactly half way through its 20-year programme of social and economic restructuring known as the New Economic Policy (NEP).

The policy, instituted after the May 1969 riots, aims to end the identification of race with class and economic function through massive efforts to raise the socio-economic position of the Malay majority, bringing them into the mainstream of the modern economy.

Ministers are now trying to get a perspective of what has been achieved by the halfway mark, and what changes of policy or emphasis may be needed during the Fourth Plan to maintain the NEP's momentum.

By and large, they can consider that an immense amount has been achieved in terms of economic growth, physical construction and educational advancement of Malays without dangerously alienating the non-Malays.

Favourable

But at least the more cautious Ministers and officials are aware that by and large the external environment have been highly favourable over the past decade. Though Malaysia does not lack continuing opportunities, it must be assumed that external conditions will be less favourable over the next five years than the last five.

Terms of trade have improved 35 per cent from their 1975 low and are above those of a decade ago. Adjusted for changes in export weightings they would be better still. More important, the huge rise in the price of Malaysian crude oil from little over U.S.\$2 a barrel in 1970 to nearly \$40 today coincided with an increase in production from 20,000 barrels a day in 1970 to 100,000 today.

The main point about this oil wealth surge is not that it has transformed Malaysia into a rich but oil-dependent nation, along the lines of, for example, Iran or the Gulf states. On the face of it, the main activities of people in Malaysia remains un-

affected. The economic mainstays remain the plantations, tin mining, a thriving internal trade, housing construction and consumer goods manufacture.

But oil, and to a lesser degree buoyant prices for other commodities which flow directly to revenue through export duties, are making possible much of the government spending which is providing the thrust to the NEP.

This is not going to stop overnight. Oil production is currently being restrained at below potential. And the size of oil income to be disguised to some extent by the fact that Petronas, the State oil company, is accumulating very large foreign exchange holdings offshore—more than \$1m and probably still growing. Over the next few years, major new gas projects will come on stream, generating large new additional revenues for the Government.

However, the rate of growth of Government development spending must be expected to slow significantly compared with the past few years. Between 1971 and 1978 development spending rose by an average 23 per cent and recently has gathered even more momentum. It jumped from ringgit 8.1bn (£1.65bn) in 1976 to a targeted ringgit 17bn this year.

Even allowing for the fact that inflation in Malaysia is probably double the 4.5 per cent suggested by the consumer price index, the spending growth has been remarkable. The public sector as a whole (defined to include public corporations such as Malaysian Airlines System but excluding the oil industry) increased its share of GDP from 22 per cent in 1973 to an estimated 31 per cent this year.

This is not exactly what was envisaged when the Third Malaysia Plan was formulated. Then, the Government envisaged a slowing of public sector growth compared with the second plan, looking instead to the private sector to be the prime engine of growth—notably through manufacturing.

However, a combination of a very sluggish private sector investment, especially in manu-

facturing, forced the Government to expand its own spending much faster than originally intended. Buoyant revenues from oil and commodity prices allowed it to do so safely. In the mid-term review of the plan in early 1979, the development spending target was raised 73 per cent to Ringgit 32bn, though because of delays in implementation actual spending was expected to rise only about 35 per cent.

Impressive

The direction as well as the size of development spending is likely to be shifted in the coming plan. In recent years, the Government's achievement in terms of economic and social infrastructure have been impressive: schools, hospitals, roads, rural electrification and water supply. But these are creating a rising burden of recurrent expenditure to operate and maintain, a burden which is not yet fully appreciated as so many projects are not yet finished.

In the Fourth Plan, government is likely to want to direct more of its available capital resources to the productive sectors. Industry will be in the forefront.

If successful, the programme will mean not just a significant shift in the composition of GDP, but also in Malaysia's economic geography away from the plantation, tin and light industry-rich west coast of the peninsula to the east coast and east Malaysia.

Heavy industry would absorb large amounts of public sector capital, but it would also be expected to attract foreign private capital as joint venture partners. And as foreign loan finance presumably would be available, so the burden on the development budget might not be very large.

An additional benefit to the Government from such a capital-intensive strategy would be to provide a new way of rapidly increasing the Malay share of corporate capitals. The aim is that by 1990 Malays should own 30 per cent, other Malaysians 40 per cent and foreigners 30 per cent. But it is estimated that by 1978 the Malay share

had reached only 10.3 per cent.

The foreign share had dropped from 62 per cent in 1970 to 46 per cent, but non-Bumiputras Malaysians had expanded their stake faster than planned injections of government money into agencies such as Perwas which acquires assets on behalf of the Malays. (Malay individual ownership of corporate capital was only 3.6 per cent in 1978.)

Much of the government money has gone to buying existing shares from foreigners. But with many of the plantations and tin sectors already Malaysiansed the Bumiputras agencies may have to look increasingly to investing in big new projects if they are to maintain the momentum needed to reach NEP targets.

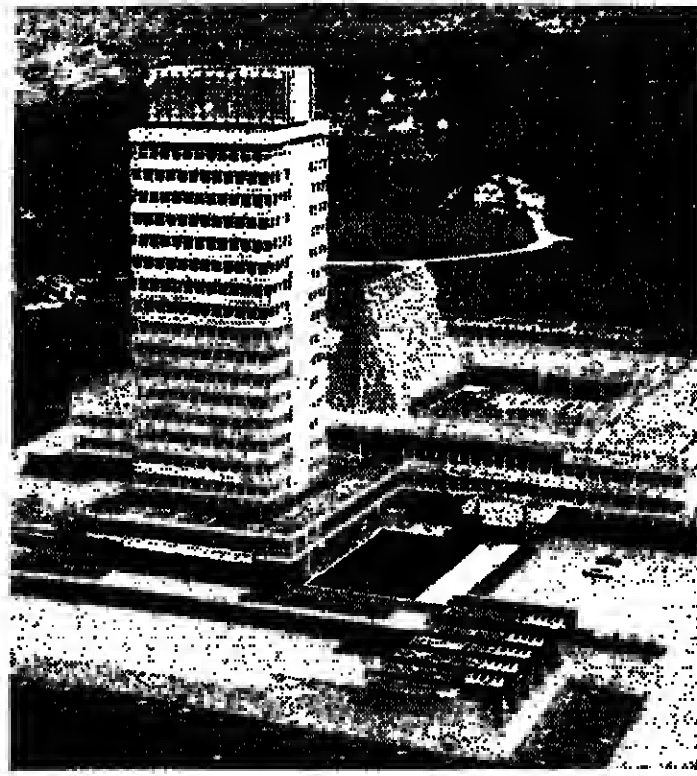
So it looks likely that some major projects will be taken up by government-funded Bumiputras agencies rather than by government corporations.

A clearing of the decks is already about to start. Pemas is expected soon to have to dispose of some of its investments, including the Malaysian Mining Corporation, to Permodalan Nasional.

The Bumiputras investment fund established last year. Pemas thereby will acquire funds to invest in new industries. Permodalan Nasional is also expected to acquire the government-owned corporations, such as Bank Bumiputras and even the Malaysian Airlines System.

If the transfer of assets is to be a long-term success, a much higher rate of Bumiputras savings is needed. Malay progress in the unincorporated business sector has been fast; they now account for 17 per cent of bank loans compared with only 12 per cent four years ago and 25 per cent of finance company loans.

These figures better reflect their progress in the modern economy than the figures for individual share ownerships. However, the Government is concerned that their high propensity to consume and use of borrowings to finance purchases of consumer durables. All in all the urban Bumiputras are making rapid strides in jobs, education and incomes. Their numbers are growing rapidly and now account for a third of the urban population. But the Government is concerned at the extent to which rural, which means mostly Malay, incomes are tending to fall behind urban ones.



The Houses of Parliament in Kuala Lumpur. Ministers are trying to gain a perspective on the economic plan's achievements

Rubber and palm oil smallholders are estate workers have just about kept pace with average incomes in the past three years thanks to high commodity prices. But the already highly-subsidised rice farmers have fallen further behind. If commodity prices fall back while national income continues to rise on the back of oil wealth, the urban-rural gap could widen further. Meanwhile, if the Government is to use more of its own resources to stimulate heavy industry, there may be relatively less money around for the infrastructure projects in rural areas which have created employment and boosted incomes.

Land is still far from scarce in Malaysia but the costs of development are rising, both to keep up agriculture growth and rural incomes. The nation will need to look primarily to higher yields than rely on new land. Estate productivity growth has slowed after the great leap forward to the 1960s and early 1970s and raising smallholders productivity remains a difficult and expensive task.

In the past few years the generation of employment has managed to keep just ahead of a labour force growth of 3.5 per cent thanks to new land schemes, rural works spending, a rapid growth of urban employment caused by buoyant commercial and labour-intensive export industries—mostly electronics.

But all this will continue to be needed if the growth of a continuing high workforce is to be absorbed. Therefore there is still a need to stimulate private sector industrial investment by local entrepreneurs, and a need to continue to attract export-orientated labour-intensive industries. Singapore's return to a high-wage strategy should help attract more multi-national industries into Malaysia. But worldwide worries about unemployment and protectionism do not augur well for the medium-term expansion of these industries.

Philip Bowring

Cheap money

CONTINUED FROM PREVIOUS PAGE

bank deposits of 31 per cent. Finance company deposits grew at a similar rate—though they are still only about one-fifth the size of commercial bank deposits.

Overall lending growth has been slower, demands from trade and industry being little more than enough to take care of working capital requirements in an inflationary environment. The one big growth sector has been housing and construction—housing loans rose nearly 35 per cent following roughly similar growth in the previous year. These now account for 22 per cent of total bank domestic loans and advances.

As a result housing is no longer setting a specific target for housing loans—but the Government is still looking to the banks to boost expansion of a property-owning middle class.

To protect the banks against the illiquid nature of mortgage lending over 15 years or more there is active discussion about the setting up of a corporation, involving all the main players in the financial market, to provide a rediscount market for mortgage loans.

For the moment housing loans are quite attractive for a banking system which mostly has been more liquid than it would like, even though mortgage rates are pegged to a modest 1.5 per cent over prime. But in tighter conditions there would be little incentive for mortgage lending on this basis.

Lending to Bumiputras remains the most important priority sector but where, again, availability of money has helped to fulfil demand from non-traditional customers. Bank lending to Bumiputras is now comfortably over the current target of 17 per cent of total loans.

A more difficult target for the banks to reach is in lending to the food production sector—the aim is 6 per cent of total loans by the end of this year and 10 per cent by 1982.

The third lending target at present is that 20 per cent of loans go to small-scale businesses. The amount of Central Bank direction on lending, and general interference in business, continues to irritate some bankers accustomed to a freer environment. It has also annoyed the market in bankers' acceptances

which was established in 1979 and grew rapidly until upset by some seemingly arbitrary action by the Central Bank. It rejected some paper rediscounting regardless of the name of the accepting bank.

Critics say that while Central Bank guidelines for the New Economic Policy (NEP) are one thing, paternalistic direction on other matters and the preference given to government-owned banks is not promoting efficiency in banking.

Most aggrieved are the foreign banks which are unable to expand their branch networks. Hardest hit are those with a narrow deposit base but some big multi-national customers. While Malaysia's prime has been steady the cost of swaps they use to fund a large part of their loan portfolios has escalated horrendously. As a result they have bid up inter-bank rates so that one-week money, which was 4 to 5 per cent a year ago, has now hit 7 per cent, almost touching prime.

These banks have also had to make use of the latitude granted to the banks in late 1978 to set their own deposit rates. Some of the world's most important banks have found themselves having to bid 1 per cent or so above the deposit rates offered by small local banks.

However, the freedom of interest rates overall is still very limited. Priority sector lending rates are fixed directly, and in practice prime has proved inflexible.

Commercial banks face a modest amount of competition from finance companies and also from merchant banks which since last year have been allowed to take large-size corporate deposits.

In general the Bank Negara is trying to push merchant banks into fee-based activity rather than straight lending. However, of the 12 merchant banks, a small group has so far succeeded in capturing the lion's share of the fee-earning corporate finance, underwriting and portfolio management business. Others may be hard pressed to reach the 30 per cent fee-based earnings target set by the Bank Negara. Mergers between merchant banks are a possibility.

Philip Bowring



How we won our stripes.



MALAYAN BANKING BERHAD
Malaysia's biggest bank.

In the relatively short time since Malayan Banking began, it has grown from strength to strength.

From one branch when it first began to the present 149 branches spread throughout Malaysia, Singapore, Brunei, London and Hong Kong, as well as a representative office in Hamburg. From a few small dollars to over M\$7 billion. From a handful of accounts to over one million account holders. From international

corporations, to the man in the street. From a bank, into a group that covers all aspects of modern finance including Merchant Banking and Insurance.

The Malayan Banking Group is now an organisation that, by token of its size, can claim to be closer to the financial and economic jungle of Malaysia.

Once a cub with no stripes, now king of the jungle.

Head Office: 92, Jalan Bandar, Kuala Lumpur 01-20. P.O. Box 2010. Telex: MA 30438. Tel: 207522.
London Branch: 145 Moorgate, London EC2. Telex: 888586. Tel: Main — 6389328. Manager — 6380561.

MALAYSIA VI

Commodities enjoying a record spell

MALAYSIA IS enjoying a commodity boom unprecedented since the Korean war.

Rubber prices have moved steadily upwards for the past five years and last year's prices were twice as high as those in 1975. Prices have shot up even higher this year, breaking the Ringgit 4 (8p) a pound mark at one stage.

Prices of palm oil have remained highly lucrative, while timber prices, though volatile, are on the high side. But the commodity boom has also sharpened disparities between the rubber and palm oil growers and the padi planters, whose earnings were badly affected by drought. Last February 10,000 Malay farmers rioted in Alor Star, capital of the rice-growing state of Kedah, to draw attention to their plight.

Thanks to OPEC and its price rises, synthetic rubber is no longer a threat to the natural product. Instead of the "replant or die" slogan of the late 60s and the 70s, which urged planters to switch to high-yield trees to beat off the threat from synthetics, Malaysia is now launching its "dynamic production policy," aimed at maintaining the country's lead as a rubber producer.

Rubber production has been stagnant at around 1.7m tonnes for the past four years, partly because of drought, but largely due to the rapid conversion by plantations of rubber estates to oil palm. Oil palm gives a much higher return. According to Mr. Paul Leong, Minister of Primary Industries, the pre-tax profit for rubber per acre is 250-300, while oil palm gives a return of two to three times more.

The Government cannot prevent plantations and even smallholders from shifting from rubber to oil palm, but it has taken several important steps to narrow the financial returns between the two crops. A significant move was the restructuring of the export duty on commodities in last October's Budget in which the duty on rubber was substantially reduced.

Government land schemes are now adopting a more balanced rubber-oil palm ratio, while the "dynamic production policy" announced last year required the Rubber Industry Small-

Launch day nears for new exchange

IN JULY or August Malaysia will launch its commodities exchange, as the first step in its plans to make Kuala Lumpur a major commodity trading centre.

The plan is a bold and far-sighted move, but the authorities cannot be faulted for moving too fast. If anything, the Malaysians have been cautious. Realising that the initial response to the Kuala Lumpur Commodities Exchange is crucial, psychologically, they have taken great pains to ensure that everything will run smoothly from the launch day.

Initially, the exchange will deal only in palm oil futures. Trading, in lots of 25 tonnes each in Malaysian currency, will be on a month-to-month basis, but after a while futures quotations will be bi-monthly.

Trading will be on the "open cry" system, but secrecy in trading positions

will be upheld.

Apart from the exchange, the Commodities Trading Bill, which is being pushed through all its stages in the current parliament session, will provide for a commodities trading council and a clearing house.

Equity of the clearing house will be held 30 per cent by the international commodities clearing house of Sydney, while Malaysian banks, including foreign-incorporated banks will hold 70 per cent.

Margins for trading to be imposed by the clearing house have not been decided. It will probably be between five and ten per cent of the contracted price.

To give a good start to trading, costs are being kept low. A trader will pay charges of about U.S.\$3.2 per tonne of palm oil on a round-trip contract (purchasing and liquidation) compared with \$4.65 on the Chicago exchange.

holders Development Authority (RISDA) to boost small holders' output through the faster introduction of high yield trees and modern technology.

Among the private plantations, there appears to be some rethinking over plans to convert to oil palm as rubber remains attractive. But boosting output above 4 per cent a year, would, in the longer run, require more land, which is getting scarce.

Palm oil which has been the star performer in the agricultural sector in the 1970s, is still expanding rapidly, though not as phenomenally as in the past. Although the planting rate has slowed, production is surging ahead as planted areas come under harvesting current production of 2m tonnes is expected to double by 1985.

There is therefore the vital need to find new markets. With the rapid increase in soyabean output in the U.S., Malaysia palm oil exporters are unlikely to regain the share of the U.S. market they used to have, particularly when they switched so rapidly away from the U.S. to India.

The Indian market remains the biggest for Malaysian palm oil, but because Indian buying policy can be subjected to quite radical shifts, Malaysians are looking for other markets as well.

The Middle East and China are potentially very large markets, although in the case of the former, the lack of shipping and business rapport are problems to be tackled first.

Last year, China bought its first shipment of refined Malaysian palm oil and Mr. Leong will be leading a commodities mission to China later this month and hopes to penetrate the Chinese market further.

Returns

Cocoa is fast becoming Malaysia's third export crop. Cocoa prices have fallen, but the returns are still better than oil palm and far more attractive than rubber. Most plantations are selling aside land for cocoa cultivation.

The Government's land agency, FELDA, sees cocoa as a crop that may ease the land

shortage. Five acres of cocoa give a better living to a settler and his family than 10 acres of rubber.

Malaysia produces about 1.5 per cent of the world's cocoa, but within 10 years it should become a major producer. Last year, cocoa replaced pepper as Malaysia's third export crop although its value (180m Ringgit) may be insignificant compared with earnings from rubber and palm oil.

The soft underbelly of Malaysia's agriculture is the rice growing industry.

Even at the best of times, padi cultivation is barely a profitable occupation because farming plots are too small. Most farmers own less than five acres, and about half have less than three acres.

Malaysian padi farmers are also very high-cost producers. But as a strategic policy, the Government wants the country to move towards near self-sufficiency. Currently, Malaysia is 85 per cent self-sufficient, producing about 1.4m tonnes of rice.

The authorities are faced with the dilemma of paying high subsidies for padi farmers, and keeping the rice price stable for consumers. This dilemma was partly the cause of last February's rice riot.

Private rice millers, many of whom are Chinese, have to buy padi from farmers for milling, at or above the Government's guaranteed minimum price, but have to sell rice at prices fixed five years ago. Because of rising costs, particularly of fuel, many rice mills are hardly profitable.

Last year, when the Government increased the padi price by Ringgit 2 per picul, the millers refused to buy, forcing farmers to unload their crop to the Government's padi rice authority. The authority lost millions of dollars because it did not have sufficient milling capacity and padi rotted in wet weather.

As a result, the Government introduced the coupon system of subsidy, enabling both farmers to get more money and millers to recover it from the Government. But confusion surrounding the coupon system sparked off the march by farmers to Alor Star.

Wong Sulong

Bank Bumiputra Gaining Momentum Worldwide

Bank Bumiputra has emerged, within a short span of time, as the most important financial force in Malaysia today. This unique position is attributable to the vigour of its youth and to a philosophy of cautious banking practice. The success of Bank Bumiputra is also due to its active and direct involvement in every aspect of the nation's economic growth. A bank with the capacity to mobilize vast capital financing for corporate and public requirements and with the infrastructure to offer strategic banking services,

joint venture arrangements and in-depth investment know-how. Consistent with its phenomenal domestic growth, Bank Bumiputra has now established a network of offices and correspondents in key market centres throughout the world. A drive to gain momentum worldwide to further enhance international banking services for its clients everywhere.



BANK BUMIPUTRA: THE MALAYSIAN BANK TO KNOW

بنك بومبوترا ماليزيا بيرهاد

BANK BUMIPUTRA MALAYSIA BERHAD

HEAD OFFICE: 71, Jalan Melaka, Kuala Lumpur 50148. Malaysia. Tel: 03-252 5551 (10 lines). LONDON BRANCH: 61, Abchurch Lane, London EC4N 3DF, England. Tel: 020 7480 1234 (10 lines). TOKYO BRANCH: 3-12, Toyoko Inn, 2-2, Chomei, Nishi-Shinjuku, Tokyo 163, Japan. Tel: 03-334 1111 (10 lines). SINGAPORE BRANCH: 11, Raffles Place, Singapore. Tel: 222 1111 (10 lines). NEW YORK BRANCH: 100 Wall Street, New York 10038, U.S.A. Tel: 212-512-7744 (10 lines). HONGKONG REPRESENTATIVE OFFICE: 22, Queen's Road Central, Hong Kong. Tel: 2549105. Telex: PUTRA 445512. CORRESPONDENTS IN ALL THE PRINCIPAL CITIES OF THE WORLD. SUBSIDIARIES: Bank Bumiputra Finance (Malaysia) Sdn Bhd; Bank Bumiputra Finance (Singapore) Sdn Bhd; Bank Bumiputra Finance (Thailand) Sdn Bhd; Bank Bumiputra Finance (Philippines) Sdn Bhd; Bank Bumiputra Finance (Australia) Sdn Bhd; Bank Bumiputra Finance (New Zealand) Sdn Bhd; Bank Bumiputra Finance (U.S.A.) Sdn Bhd.

Share markets buoyant

SECURITIES ON the Kuala Lumpur Stock Exchange are underlining a period of consolidation after a buoyant performance last year.

Following an almost uninterrupted four-month surge, which spilled over to January and February, and which took stocks almost to their peak levels of the 1973 boom, the market eased last month to account for technical correction. Analysts believe the market will consolidate for another two to three months—maybe longer—considering the state of dampening news from the International Monetary Fund in the form of high interest rates, recession in the U.S. and Britain and a politically-troubled situation in the region as a whole.

But the Malaysian and Singapore economies remain very strong. After a real growth of 8.5 per cent last year, Malaysia's economy is expected to grow by 7.5 per cent this year. Singapore's growth is expected to be slightly higher. Analysts therefore see a good year ahead for Malaysian stocks.

In 1978, the star performer was plantation stocks, particularly those with a high rubber base. Starting on an index of 447 in January, the Kuala Lumpur Stock Exchange's dollar rubber index moved rapidly to reach 625 points at the end of December, a 40 per cent jump.

Attraction

Rubber shares were also actively traded, buoyed by both local and overseas demand. Popular issues such as Kuala Lumpur-Kepong, Dunlop Estate, Guthrie Ropel, Highlands and Lowlands and Malakoff, put on hefty gains.

Over the past two years, rubber shares have gained a new attraction based on the boom in rubber prices. Investors see a bright future ahead for rubber because of the increases in oil prices.

Interest is also fuelled by the insatiable demand by Malaysian acquisitionists for plantations, whose values have risen substantially.

Rubber estates, which used to be valued at Ringgit 3,000 per acre a year ago, are now fetching between 5,000 and 6,000, and in some instances as much as Ringgit 10,000 per acre.

Promeriv stocks also did very well, thanks to the tremendous demand for residential homes, and the high building activity. The Kuala Lumpur Stock Exchange's property index rose from 256 to 350 points during last year, an increase of 37 per cent.

Industrials, finance, hotels,

and tin shares all registered solid gains, ranging from 23 to 28 per cent.

On the whole volume traded in 1979 was 637m units valued at Ringgit 1,641m, compared with 1,077m units valued at Ringgit 2,539m in 1978.

The lower volume traded, despite the higher prices, was largely due to few speculative factors in 1979, and partly because much of the pent-up buying build up since 1973 had been exhausted by 1978.

To comply with Government policy of encouraging Bumiputra (Malay ownership of securities) the corporate sector continued to make special issues to the Bumiputra community at discounted prices.

During the year, Batu Kawan issued 15m shares, Oriental Holdings 20m and United Motor Works 8 m units. These issues were sold at Ringgit 53.7m. Their present market value is more than Ringgit 120m.

Since mid-1978 there has been a considerable inflow of foreign funds, particularly from British institutions, into the Malaysian (and Singapore) stock market, reversing the past selling trend.

Foreign interest in Malaysian securities arose from the realization that Malaysia is likely to enjoy rapid economic growth within a stable political framework in the years ahead.

The new economic policy is now viewed in a different light. With Malaysian corporations

scrambling to acquire estates, existing foreign-owned estates have gained added attraction. But for the Malaysianisation policy, they would not have chalked up such impressive values.

The ending of Britain's foreign exchange controls last November also provided a strong incentive for major British fund managers to travel to the Far East scouting for high yield securities.

In Malaysia, their attention is focussed on plantation and tin stocks (traditional British areas of investment) with some spill-over to industrials with good track records and potential.

Wong Sulong

THINKING ABOUT SOUTH-EAST ASIA? THINK BOUSTEAD FIRST.

In our 150 years in South-east Asia, we've built up a wealth of experience and knowledge that many would find hard to equal. We know the countries, the people. We're alive to the region's changing needs. We keep our ears close to the ground and are always sensitive to changes, to new opportunities for growth. We believe in identifying with each country we work in. We keep pace with the region's development and our activities

reflect its fast-changing needs and markets. We're one of the most diversified companies in South-East Asia. We're thought of as mainly a trading company. But we're more than that. We're involved in manufacturing and processing; in agriculture, shipping, travel, insurance and commodity broking. And in engineering. In fact, in Singapore and Malaysia our engineers provide a specialised and comprehensive service throughout the ASEAN countries.

Now, you can see why you should think Boustead. We're uniquely placed to advise you on the potential in this fast-developing region.



Boustead

Singapore: Maritime Building, Collyer Quay, Singapore 0103.
Malaysia: P.O. Box 1011, Kuala Lumpur.
United Kingdom: 14/15 Conduit Street, London W1R 9TG.
Philippines: Australia • New Zealand • U.S.A.

Wood Grows On You



Prosperous future for the tin industry

THE MALAYSIAN tin industry has entered the new decade in a much more prosperous and optimistic spirit than for several years. Prices are very firm, the Government has been showing a more sympathetic attitude to its tax position, long-delayed major projects now look on the point of getting off the ground, and the industry's leader, the Malaysia Mining Corporation, is making its mark in international marketing as well as production of the metal.

The year 1979 saw the second successive year of production upturn after a persistent decline since 1972's record 75,000-tonne level. Output advanced 1,500 tonnes to 64,000 tonnes as higher prices encouraged gravel pump miners — who still account for about 50 per cent of production — to mine hither to uneconomic deposits.

This process may continue in the current year because prices have continued to move upwards. Indeed, it is a credit to the fundamental soundness of the tin market that the metal was only peripherally involved in the monetary boom and bust that hit the world metal markets at the beginning of this year. The price is now hovering around the Ringgit 2,500 a picul level, an increase of about 12 per cent on the average price for the whole of 1979.

Tax changes
However, the latest price rise will not necessarily have a significant impact on gravel pump production, responsive though that can be to price. The reason is the export tax changes in October's Budget which have the effect of partially protecting producers against a price downturn and giving them more certainty about future stability or the price, net of tax, they receive for their tin.

However, the operation of the revamped sliding scale export duty is such that at a price of more than Ringgit 2,225 a picul, the tax is now heavier than under the old, less progressive, system. At the time of the Budget, the Treasury estimated that on the basis of an average price of Ringgit 1,750 a picul, the tax concession was worth Ringgit 152m a year to the industry. But the price has since been well above that level.

However, the new scale eases the export tax burden when prices are in the low to middle range. The Government has also undertaken to adjust the base of its tax scale from time to time to take account of increases in production cost. These have been rising fast, particularly for the energy-intensive pump miners.

The industry itself claims that the average cost of production for gravel pump miners is now about Ringgit 1,850 per picul, an increase of about 25 per cent in a year. As a result of this, and of the increase in the International Tin Council floor price from Ringgit 1,500 to Ringgit 1,650 in March, it is expected that adjustment of the export tax base will be made sometime this year.

Also in the Budget, came an increase in the top marginal rate of tin profits tax from 12.5 to 15 per cent. This is not very significant in money terms but further reflects the desire of the Government, following the advice of the industry itself, to place more emphasis on tax on profits and less on tax on production. In sum, the tax changes, and commitment to regular reviews of costs, in conjunction with firm prices, achieve three principal goals:

- They enable an immediate rise in gravel pump production from lower grade areas;
- They enable dredge miners to lower their cut-off grades, and to consider re-dredging old formerly worked areas;
- And they encourage more long-term investment in new capacity.

States' rights over land, which have resulted in state/federal government squabbles and much jockeying for wealth and position, remain an obstacle to new developments. However, the situation is brightening, even in Selangor which with Perak is the main producer.

Selangor has an especially hard-to-handle state government which has made life very difficult for the Malaysia Mining Corporation. There were particular problems over renewal of existing leases in the state. But these are being resolved on a case-by-case basis.

Berjuntai, which was the first company to run into major problems with the state government over renewals, has now gone into a cooperative venture with it to build a dredge to develop a new property.

Most important of all, however, is the likelihood that after years of delay the huge Kuala Langat deposit will finally get the go-ahead this year, enabling it to start operations by 1984 with at least one dredge, and probably building up to three.

Kuala Langat was discovered by Charter Consolidated, which originally had an agreement with the Selangor state government agency PKNS to develop it on a 55-45 ownership split. But that fell through with the fall of the former Selangor Chief Minister, Datuk Harun, in 1975. Ever since, there has been argument involving the state, Charter and the MMC.

The likelihood now is that MMC will end up with 35 per cent, giving Charter an effective 10 per cent only. But Charter and MMC's main concern now is to get on with the project. Detailed feasibility studies have yet to be carried out but there is a proven high-grade deposit at a depth of between 50 and 150 feet. On the basis of an operation using three large dredges, investment is expected to be between Ringgit 150m and 200m.

Quite what Kuala Langat will add to Malaysia's overall production is difficult to tell. MMC for its part estimates that its own production should rise by 2,000 tons a year to about 18,000 excluding Kuala Langat.

Generally in dredging, new areas are being opened up while the life of some existing areas is being extended by higher prices. However, in the medium to longer term, gravel pump production is likely to decline as areas are worked out and new leases are granted to dredge miners rather than to the small-scale pump operators than whose costs are now much higher than those of the dredgers.

Exploration
More effort is now being put into new exploration than for several years. MMC group has a five-year exploration programme involving the spending of about Ringgit 5m a year. MMC has agreements with Kelantan, Perak, Johore and Negri Sembilan to prospect for minerals on the basis that the state would be entitled to a 51 per cent stake in any ventures which came to fruition.

Foreign companies are also active, notably Conzinc Rio Tinto in Pahang.

For the foreseeable future, Malaysia's tin output will continue to be mainly from alluvial deposits. But there is growing interest, including an interest by Mr. Paul Leong, Primary Industries Minister, in encouraging mining of primary deposits, whether open cast or underground.

Mining of primary ore usually requires very much higher capital expenditure, and thus greater exposure to commodity price swings, than alluvial tin. The Government may consider providing special incentive for foreign investment in non-alluvial tin and base metal mining, perhaps by enforcing the 70 per cent local ownership requirement only after the foreign investor had recovered his initial capital. Local companies mostly do not have

either the capital or know-how for big mining projects other than alluvial tin.

Malaysia is not actually thinking in terms of major long-term increases in tin production. New discoveries will be needed to sustain production at current levels.

In the short term, the strength of the tin price is to a large extent underpinned by the fact that it would need a serious recession of production and consumption to get badly out of balance. There is no spare capacity in sight and Malaysia has the advantage of being a relatively low-cost producer.

In the longer term, says the industry, the price should be underpinned by the finite extent of deposits currently known. Malaysians also believe that the market should be able to absorb some release from the U.S. stockpile without too much difficulty

as user stocks are low unless sales coincide with a recession.

Meanwhile, MMC believes it is due a little of the credit for the tin price strength. A year ago it withdrew its tin from the Penang market and started marketing it directly through a joint venture arrangement with Anglo-Chemical, a subsidiary of Philip Brothers, the Engelhart Group metals trader.

MMC thinks this helped both to push up the Penang price, and enable it to obtain better prices by direct sale to consumers.

Further changes in tin marketing and pricing systems, which will certainly affect Penang and probably London as well, will come about when the proposed Kuala Lumpur commodities exchange starts to trade in tin futures.

Philip Bowring

Chinese workers use wooden dishes to clean tin ore from the tailings of a mine

Output high, but investment slackens

structure—the arrival of totally new industries that had been hoped for.

It is widely claimed that the Industrial Co-ordination Act, giving the Government wide powers of intervention, has stifled entrepreneurial initiative and that despite amendments, the Act still casts a shadow.

There is some validity in the argument, but a more important cause of investment slackness is that the broadening of the manufacturing base requires new skills, and sometimes volumes of capital, often not available to local entrepreneurs. Meanwhile, the still small size of the domestic market does not present a major attraction for foreign investors.

That at any rate is the view of the Government, which intends to involve itself in a major way in ambitious and capital intensive industrial projects such as aluminium, cement, steel and petrochemicals. It is also encouraging agencies such as Pemas to move into joint ventures with foreign companies in the middle level engineering industries. Meanwhile, companies such as Malaywata Steel, in which both Pemas and the Japanese are involved, are embarking on big expansion programmes.

More encouraging in many ways was the big rise in the employment creation expected from the new proposals: it totalled 53,000 in the previous year. The main impetus has come from the electronics industry. Most of the big multinational semi conductor and electronics firms already have a facility in Malaysia and many of them are expanding their operations very rapidly to meet buoyant world demand.

Though the amount of capital involved is quite small—a total of Ringgit 215m, the job creation is expected to amount to almost 20,000—double the increase of the previous year and representing 40 per cent of all

potential employment created by MIDA-approved projects last year.

Textiles continues to be an apparently good growth area despite increasing restraints in foreign markets. Less buoyant were applications in the food industry, which accounts for 16 per cent of total manufacturing output. Proposed investments fell from Ringgit 283m to Ringgit 17m and employment creation from 4,800 to 2,400.

Other promising sectors were wood products and rubber products—both industries which are quite labour intensive and also use local raw materials.

Meanwhile, actual manufacturing output last year was provisionally estimated to have risen by 10 per cent, in line with the two previous years. The lead was taken by the construction material sector responding to the building boom. It rose 25 per cent compared with 20 per cent the previous year with steel the fastest grower.

Food products growth was slow—4.5 per cent—but there was a 19 per cent rise in turn-out of processed estate products.

Although only a relatively small proportion of manufactures is exported, manufacturing exports have been growing very much faster than overall pro-

duction. Last year they rose 20 per cent following a 36 per cent increase the previous year. Electronics was again the leader and now accounts for some 45 per cent of manufactured exports. The next largest export group is textiles and clothing at 13 per cent. This year may see tougher times for textiles but electronics growth is assured by plant expansions approved in 1979.

The export figures look good in the statistics, and employ a large amount of unskilled labour without absorbing much capital, they generally have a low value added and few linkages into the rest of the economy.

They are a useful addition to output but do not reflect any significant change in the structure of the economy or form much of a basis for continuing industrialisation.

The longer term future of Malaysia's industrialisation objectives lies in how successfully it uses the heavy industries it will build on the back of its gas deposits, and from these develop the vital skill-intensive industries which lie between the consumer and assembly industries Malaysia has now and the basic products industries it is planning.

Philip Bowring

If you were to design a perfect investment, ideally you'd put all the investment qualities together in one country.

Land
Your first need would naturally be land. Plentiful, developed industrial land, with excellent infrastructure. Around 12,000,000 sq. metres instantly available and reasonably priced at, say, US\$2.20 per sq. metre in less developed areas and between US\$10.00 to US\$20.00 per sq. metre in the prime areas. For the export oriented industries, Free Trade Zone facilities should also be readily available.

Labour
Next you'd need labour. A ready supply that must be reliable, productive and highly responsive to training and the demands of modern technology. You'd also expect this workforce to constitute 30% of the population that is between the working age group of 15 to 25 years. Cost of this basic labour should be between US\$1.35 to US\$2.25 per day, depending on the type of industry and the level of skill.

Resources
You'd definitely also want your ideal investment country to have abundant, and if possible, world-leading resources. Like 32% of the world's output of tin, around 45% of the world's rubber, 45% of the world's palm oil, 37% of the world's timber. Plus important resources such as pepper, bauxite, copper, iron-ore, cocoa, rice and tea. And expect it to be, say, an emerging producer and exporter of crude petroleum.

Stability
And ideally, your investment country must be politically, economically and monetarily stable and have a currency that has been used by the International Monetary Fund as a loan currency.

Incentives
Your next step would be to introduce a few incentives that all industrialists would welcome. Probably things like liberal exchange control regulations, free repatriation of profits and capital, and up to 10 years tax holidays, on certain projects.

One Authority
Finally, to make the design perfect, you'd want to approach just One Authority for information and advice on all aspects of investment, where you can consult with expert Government personnel. Which is, in fact, what one has in MIDA, the Malaysian Industrial Development Authority.

Now that you've completed your blueprint for an ideal investment country, it can only be the One Country: Malaysia.

MIDA invites you to participate in the International Investment Seminar on the Timber-based Industries in Malaysia, to be held on October 23 & 24, 1980, and the International Conference on Rubber Products Manufacturing in Malaysia on November 10 & 11, 1980.

If you wish to have more details, mail the accompanying coupon to our Head Office.

Malaysia: The One Country. MIDA: The One Authority.

MALAYSIAN INDUSTRIAL DEVELOPMENT AUTHORITY

Head Office: 3rd-6th Floor, Wisma Damansara, P.O. Box 678, Kuala Lumpur, Malaysia. Cable: FIDAMAL. Tel: 943633. Telex: MIDA.MA.30752.

London Office: 17, Curzon Street, London W1X 7FE, United Kingdom. Cable: MALCENTRE, LONDON. Tel: 409-0411/493-0616. Telex: 299659 MTDGLO G.

Do not send this coupon to the bookshop Malaysia — Your Profit Centre in Asia. Details on the Investment Seminar on the Timber-based Industries in Malaysia, and the International Conference on Rubber Products Manufacturing in Malaysia.

Name: _____
Country: _____
Designation: _____
Address: _____
*Tick where applicable

Do not send this coupon to the bookshop Malaysia — Your Profit Centre in Asia. Details on the Investment Seminar on the Timber-based Industries in Malaysia, and the International Conference on Rubber Products Manufacturing in Malaysia.

Name: _____
Country: _____
Designation: _____
Address: _____
*Tick where applicable

Do not send this coupon to the bookshop Malaysia — Your Profit Centre in Asia. Details on the Investment Seminar on the Timber-based Industries in Malaysia, and the International Conference on Rubber Products Manufacturing in Malaysia.

Name: _____
Country: _____
Designation: _____
Address: _____
*Tick where applicable

Do not send this coupon to the bookshop Malaysia — Your Profit Centre in Asia. Details on the Investment Seminar on the Timber-based Industries in Malaysia, and the International Conference on Rubber Products Manufacturing in Malaysia.

MALAYSIA VIII

Emphasis on conservation of oil and gas

STARTING ALMOST from scratch five years ago with the formation of its own national oil company, Petronas, Malaysia is now moving boldly in the oil industry. It says it is too small to join OPEC, but keeps good lines of contact with Moslem oil states.

Dr. Mahathir, the Deputy Prime Minister, said recently that Malaysia may not be so small after all in its endowments of oil and gas. Dr. Mahathir confirmed Malaysia has two of the world's biggest natural gas reserves—one off Sarawak in East Malaysia, the other off Trengganu on the east coast of the Malaysian Peninsula.

All along, Petronas and Exxon, which operates the Trengganu contract area, have been secretive about the Trengganu reserves, reluctantly admitting they are commercially viable when pressed. But according to Dr. Mahathir, they are even bigger than the Sarawak reserves, which are considered to be among the world's biggest.

Petronas always goes to great lengths in reminding Malaysians that the country has only three barrels of oil reserves, which would be exhausted in 10 years at the current rate of production. Yet it is talking of 20-30 year plans and foreign oil executives say the Petronas claim is very conservative.

Imagination

Virtually every hole that Exxon (through its subsidiary, Production Malaysia Inc.) has drilled in Trengganu has hit either oil or gas, while Shell, Sabah and Sarawak claims a higher rate of success in its drilling than in most parts of the world.

Petronas' policy to maintain a low profile is understandable. It does not want to fire the imagination of Malaysians of oil and gas bonanzas. There are no lack of examples of fires of discontent and destruction emanating from oil wealth, and Petronas wants to avoid pressure from foreign oil companies to exploit the reserves quickly.

"Oil conservation to obtain maximum benefit for the people for as long as possible" is the Petronas motto. "If the foreign companies have their way, Malaysia would be now producing over half a million barrels a day, instead of 317,000," says a Petronas official.

This is done through a slower work programme, and requiring companies to maintain a less wasteful gas/oil production ratio.

A fight is building up over the production sharing agreements. Petronas signed with Esso Production Malaysia Inc and Shell. When these were signed in late 1976, Malaysian crude was selling for US\$ 12 a barrel. Now it is fetching nearly US\$ 40.

The foreign oil companies get 41 per cent of the oil produced. At the same time, the oil companies, through their marketing arms, import Middle East crude, refine it and sell it in Malaysia at market prices.

Malaysia feels it is losing hundreds of millions of dollars both ways. The Malaysian Government cannot slap a tax on the oil companies to siphon off excess profits because the production sharing agreements contain a clause forbidding any changes affecting their share of the oil. But Malaysia is selling them they must return some of the excess earnings if they want a cordial relationship.

Work is going full steam to develop the gas reserves off Sarawak. Malaysia LNG, the joint company of Petronas (85 per cent), Shell (17.5) and Mitsubishi (17.5), recently signed a US\$550m loan to finance part of the costs of the U.S.\$1bn liquid natural gas plant at Bintulu. Site clearing has been completed and contracts for the plant have been awarded.

Shell has also obtained a US\$300m loan from 15 major banks to finance construction of undersea pipes and other facilities to bring the gas to Bintulu. Malaysia LNG has signed up a contract with three Japanese utility companies to supply 6m tonnes of LNG annually for 20 years, starting from January 1983.

The Sarawak gas reserves have a commercial life of 40 years, and apart from the gas contracted for Japan, the Government is planning to use the gas for other purposes, including feeding a giant aluminium smelter which the American Reynolds company is interested in building at Bintulu.

Market value

Pricing is the problem. The Government is prepared to sell cheap gas for the smelter. Shell, naturally, wants a price that is closer to its market value. The gas would also be used to pay

for the Malaysia Association of South East Asian Nations (ASEAN) urea project that will be built in Bintulu.

According to Dr Mahathir, the Trengganu gas reserves are expected to have a commercial life of at least 70 years. No decision has been made on what to do with the gas, but part of it would be used as a base for a petro-chemical complex that Petronas is building in Trengganu.

Partly as a policy to participate in downstream activities, and partly to break the monopoly of the foreign companies, Petronas will be going into the retail side of the oil business in a big way. At present, it has

several stations selling diesel and kerosene, but from next year it will sell its own brand of petrol and expand its retail outlets.

Oil has now replaced rubber as Malaysia's top export. Revenue from oil exports this year is expected to be around US\$3.6bn.

Malaysia sells most of its premium light crude to Japan and the U.S., and imports heavy Middle East crude for its own use.

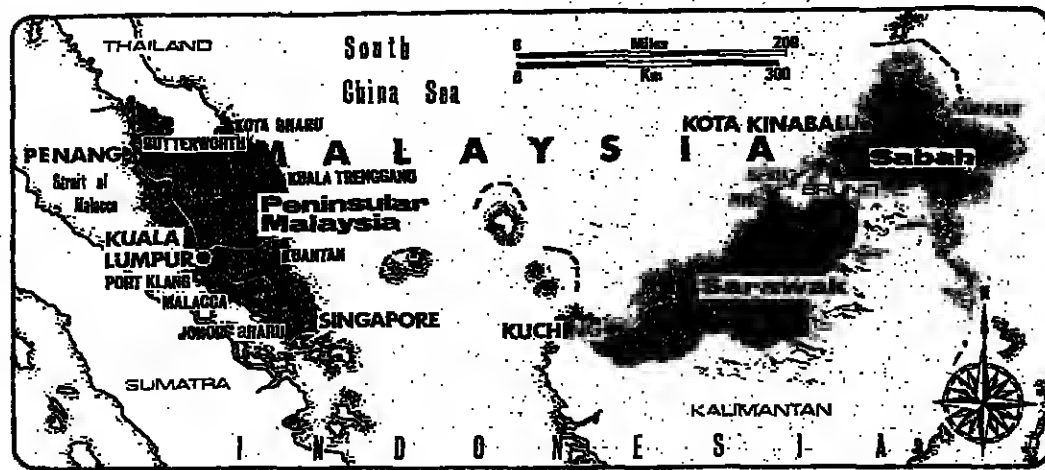
The supply of Middle East crude is in the hands of the foreign companies. Malaysia wants to cut this dependence. It has recently reached a deal

with Kuwait to swap Malaysian light for Kuwait crude, initially at between 5,000 and 10,000 barrels daily. Petronas will refine this crude and market it through its own outlets.

Malaysia is also using oil diplomacy to shore up Thailand's resilience as a frontline state in checking Communist expansionism.

Within its own limitations, it has responded quickly to relieve the oil shortage in Thailand by supplying diesel and oil last year. This year it is selling 360,000 tonnes of crude to the Thai at market prices.

Wong Sulong



Outcry over UK rise in education fees

WHEN LAST year the British Government announced a huge rise in fees for overseas students at British universities, it had no particular reason to consider the impact of its move on the racial politics of Malaysia.

But it is symptomatic of the influence of the English language, of the developing world's thirst for education and of an insular British blindness to the racial politics of the world that the move caused an outcry in Malaysia.

Education is at the heart of Malaysia's new economic policy of racial restructuring. And within that policy the question of access to university education is one of the most controversial subjects. Another is language.

Education is critical because the Malays see it as the essential way to enhance their role in the modern economy, to leave behind their traditional assumed role of farmers living a gentlemanly but impoverished existence in a well-ordered yet static feudal society and compete with the Indians and the Chinese as doctors and engineers.

For the Chinese higher education is the perceived way to success in a fast-growing economy creating demand for professional skills but in which

their traditional role as businessmen is being challenged by two factors: enforced advancement of Malays, and the fact that business is tending to get bigger and thus the single-family business does not necessarily present the same opportunities as in the past.

Because there is a finite quantity of higher education it is a very sensitive issue. To give commercial advantages to Malays only indirectly deprives non-Malays. But with university education the deprivation is instantly identifiable. In pursuit of the National Economic Plan (NEP) goals, the Government has given massive preference to Malays in entry to sixth forms and universities. But it has not stood in the way of those parents who can afford to send their children to overseas universities. Hence the importance of Britain. This has served as an outlet for middle-class non-Malays whose children have been frustrated by NEP preferences.

In 1978 about 17,500 Malaysians were doing degree courses overseas, of whom only about 20 per cent were Malays (of whom a large number were on government scholarships). The number overseas compared with degree enrolment in Malaysia itself of 13,000. If secondary school and technical college students are included there

were more than 40,000 Malaysians studying abroad.

Overall Britain accounts for about 40 per cent. But a combination of the higher fees and increased living costs due to inflation and the strong pound could thwart many families' goals.

Many may be able to find cheaper alternatives in the U.S., Canada, New Zealand or elsewhere. The economic and social returns in Malaysia from a good higher education are still very high so families are prepared to save hard to make the investment. But there is no doubt that the British move has caused a lot of heart-searching and may result in the Malaysian Government itself having to raise its own targets for expansion of higher education.

Frustrations

Numbers of degree students have risen 40 per cent during the Third Plan (1976-80) and a similar rate of increase is believed to have been projected for the Fourth Plan. Increased total access to higher education should relieve some of the strains on non-Malays, but there is no question of making higher education an absolute right for those reaching a certain level. And so long as both selectivity and the NEP continue, so will the frustrations of the non-Malays.

Why the Malays need to give themselves an advantage is clear enough. At the time of Independence, Malays constituted only about 10 per cent of university enrolment — mostly sons of the Malay feudal elite. When the NEP was initiated 10 years ago, Malay intake had risen to 39 per cent, a big improvement but far from sufficient if Malays were to expand really their share of higher education.

By setting different cut-off points for Malays and non-Malays for entry into sixth forms and universities, Malay enrolment had reached 57 per cent by 1975 and 64 per cent by 1978.

Furthermore, the preference given to Malays, at least relative to their examination performance, has been most marked in degree courses which carry particular prestige, such as medicine.

A related problem facing many non-Malays (and some Malay parents and students) is the question of language. Many are worried that the gradual move to all-Malay language teaching at secondary and university level, which should be completed by 1984, will lead to a rapid decline in ability in English which will hinder their chances of studying overseas. Some also claim that the move

to universal use of Malay is lowering standards through the use of inadequate textbooks and a decline in links with foreign universities. Some parents have responded by sending their children to secondary schools in Singapore, Britain or India, or into one of the international schools in Kuala Lumpur, which are supposed to be for expatriates but have large Malaysian enrolments. But the problem with this solution is that it could cut off students from Malaysia and deprive them of the command of Malay needed for advancement in their home country.

Acute question

The question is becoming acute as the use of English at higher school certificate level is phased out. Though English and Chinese as well as Malay secondary schools will continue to carry on (as will Tamil schools at the primary level), only the specific vernacular will be taught in that language. All other teaching and examinations will be in Malay.

In general, the Government's language policy has been successful and except at the higher education level is no longer a matter of debate. Increasing understanding of Malay is evidenced by newspaper sales. Last

year, the circulation of the English-language New Straits Times rose only 4 per cent, while that of its Malay sister paper Berita Harian went up by 20 per cent.

While non-Malays are worried about the supremacy of Malay, many Malays are worried about the decline in English, especially among Malays. Special programmes are being launched to reverse this trend.

Higher education remains a hot political issue, but mainly among the middle class. Meanwhile, the Government is concentrating its efforts for the future on vocational and technical education in an attempt to link education more closely to the future needs of the economy.

For the Fourth Plan, five new polytechnics are planned and many new vocational schools. Further, if a Cabinet committee report is accepted, every child will be given right of access to upper secondary education, whether academic or vocational, up to the age of 17 rather than 25 at present.

Education is not a matter just of racial relations. It is evidence of the Government's keenness to develop the economy in general, and bring about a social revolution among the Malays.

Philip Bowring

Our industries in Malaysia are so diverse we even have a plant to make oil.

Our diversification into palm oil was just one of many exciting Dunlop developments in Malaysia. From our first plantation in 1910, and the opening of the first tyre factory in 1962, Dunlop activities in Malaysia have continued to broaden and grow. Present products range from earthmover tyres to golf balls, Dunlopillo bedding to cocoa, aircraft tyres to palm oil.

New initiatives include a joint venture tyre factory to be built in Kedah, whilst the

replanting of rubber trees and expansion of palm oil and cocoa production continues.

Our business employs nearly 10,000 people, and in 1979 export earning reached M.\$133,000,000.

As turnover and profits continue to rise, and we diversify even more, how can the future in Malaysia look anything but bright?

 **DUNLOP**

مكتبة النور

How to survive in hospital: by IAN DAVIDSON

The day I kissed the wrong nurse

Dear Michael,

You may find that the shock of being knocked off your motor-bike lasts an extraordinarily long time. But now that you have come round from the anaesthetic and are lying relatively comfortably in your hospital bed with that steel pin through your tibia, you may well be wondering how you are going to pass the next weeks. My own experience may not be typical, but some of it may be worth passing on.

You will of course have a large and varied supply of books around your bed as Sister will allow. Apart from these, you must procure a decent cassette radio. Headphones are vital. They will enable you to listen after lights out, and this may prove very helpful in getting to sleep. During my first month in hospital I only got five proper nights' sleep; partly the result of inactivity, I suppose, but also partly a residual symptom of shock. I didn't solve the problem until I started sending myself to sleep with a favourite cassette. The important thing is to choose a cassette with an indestructibly beautiful piece of music, and to listen to the same cassette every night. I settled for a cassette with two Mozart piano concertos. It never bored me, even after another 30 nights, and I always fell asleep before the first concerto finished.

The other reason for having headphones is that most of the other patients won't; not only will they not tolerate your classical music, but they will also draw it with Capital Radio, which they tend to prefer to play very loud, for the benefit of their neighbours. Even with headphones, difficulties may still arise. One evening I was trying to listen to a

concert on the radio, against the noise of three TV sets and five transistors, all playing fortissimo on different stations. At last I could stand it no longer and bellowed: "Does anyone want to hear some Brahms?"

I had noticed, earlier, a bearded fellow at the end of the ward, holding a tiny "tranny" jammed against his ear. He gave a plaintive croak of "yes." "So you shall," I roared, ripping out the headphone jack and turning up my radio to maximum volume. The effect was instantaneous. The duty staff nurse rushed out of her cubicle to screech: "Are you shouting at me?" "Not!" I yelled, "I'm shouting at them!"

Heavily, she got all the sets down to modest forte, and I returned to the concert. From that day on a young Scotman who had been badly knocked about in a car crash, and whose behaviour had been egocentric in the extreme, would always appeal to me as the arbiter of his TV volume. "Not too loud, Ian?" "No, Jock, that's fine."

First rule

Jock's problem, apart from his injuries, was that he could not get onto any kind of terms with the nursing staff, as if his presence in the ward was a tiresome aberration which could be put right by demanding to see some anonymous person in authority. "Madam!" he would call out. "Madam, I want to see a doctor!" The first rule in hospital is to call all the nurses by their first name. This is, of course, quite against the regulations, and some officious staff nurse may rebuke you: "There is no such person as Susan here! Do you mean Nurse Briggs?" Pay no attention. While waiting

around for an emergency to happen, Nurse Briggs, who is, after all, only 20, would really prefer to be called Susan.

Anyway, early one morning, in the quiet interregnum between the night and the day shift, Jock suddenly called out "Susan?" I told him that she hadn't come on duty yet. Perhaps Jock was starting to get better.

On the treatment side, you will notice that the nurse never refers to "brain damage." The term used is "head injury," and with good reason. Several of the patients in my ward behaved in a peculiar way; one was known as "the phantom telephonist" because he held long conversations on the trolley phone, though he had put no money in, and the thing was not even connected to a socket.

Some of the patients could not be operated on for their smashed limbs until their heads began to get better, and that was very painful to witness. Sooner or later, however, all these recovered.

I often speculated silently how the nurses handled problems of crisis, transiency, and death. I never found out. One day a man with severe arthritis was put in the bed next to me. He was 76, and had come to get an artificial hip joint. When he came back from the operating theatre the nurses went through the routine of bringing him round, and taking his blood pressure.

Then, suddenly and quietly, they drew the curtains round his bed, and the Australian staff nurse on duty began to rap out, calmly and cheerfully, orders to the junior nurses; whom to ring and what to fetch; numbers, explanations and dates. Next day the elderly arthritic patient was right as rain.

I tried to get to the bottom of the incident. I said: "Susan, were you frightened, or were you excited because you were at last required to do something difficult, fast?" She gave me a non-committal smile, said "I knew what to do," and walked off down the ward.

An interesting thing about this chap was that, when he had first arrived, he had not in the least expected to be in any danger. He had a much more pressing anxiety. After his wife had left to go home he leaned across to me and said: "You know, I'm much more worried about this bedpan stuff than I am about the operation." Well, he was worried about being embarrassed; and he didn't know that if you're immobilised in bed for any length of time you can't even feel the so-called calls of nature. These become much more a matter of patience than of muscular choice.

Indignation

I tried to reassure him. "It's really quite all right: the nurses know about bedpans and bottles and all that. It's tiresome, but everybody puts up with it. It really is normal routine." Thereafter he thanked me effusively almost every day for the help which, he alleged, I had given him; much more than I ever heard him thank the nurses who had saved his life. Ten days later he walked out of the ward on his new hip. You will imagine my indignation, having to wait two months for my own hip to start working again.

Ward life is usually placid, but crises do occur. You should not worry overmuch about

them. I remember one early morning: unexpectedly the nurses drew all the curtains around all the beds, in silence. Ten minutes later they drew the curtains back again, still in silence. Slowly we all realised that one bed, which had been occupied, was now empty; an almost tangible frisson ran round the ward. Yesterday he had been there, in pain. Today, he was not there. But later in the day the bed accepted a new patient, and the amoeba-like relationships of the ward shifted and moved and closed again. Although the group is constantly changing, it almost seems to be permanently fixed; self-perpetuating, seeking comfort, making jokes and forgetting pain.

It is uncomfortable to realise that you cannot operate outside the group environment. I experienced one disagreeable incident which, because it was so much out of keeping with the normal tenor of life, provoked me to complain to the hospital authorities. This got me nowhere. The bureaucrats seem far too busy with bureaucratic power games to bother with patients. Nurses and sisters are there for that.

Obviously the sisters set the tone of the place. I don't remember anybody calling Sister Mackintosh anything but "Sister." But her deputy, Sister Makarios, who celebrated her 24th birthday while I was in the ward, was happy to be called Christie. One day Christie ran into the ward with my newly-developed X-rays, saying: "I'm not allowed to show you these, but they're fantastic — look!" Don't expect any such spontaneous reaction from the doctors.

They feel too important, too blasé or too old. My consultant never commented on my X-rays.

But his registrar, a quiet Indian, took my hand and said: "Oh yes, they are very good. It is much better than we expected."

But you can probably expect to be told the truth when it matters, at least by the nurses. After many weeks, Sister Makarios came to me one day and said: "We're going to take out your pin this afternoon." I paled. "You mean, here? Just like that? Without an anaesthetic?" "Oh," she said, "it won't hurt." That afternoon my bed curtains were drawn: Sister Makarios and three nurses gathered round me, and a trainee nurse was appointed to do the deed.

Recovery

A tool was attached—a cross between a corkscrew and a brace-and-bit—to the end of the pin, and I gripped every available hand in sheer terror. The trainee gave a twist, there was a crunch and a wrench, and the pin was out. It hadn't really hurt. In my excitement I kissed the wrong nurse, and then the right one, and spent two hours recovering from the shock. Do not be disturbed by such alarms and excursions. They have to happen.

You may wonder why I regret in this loose way, to the notion of shock. You may be of sterner stuff, but my traffic accident made my emotions much more susceptible than usual, as if a protective layer had been stripped away. Music, even very familiar music, would make me weep quite unexpectedly. I recall an afternoon radio programme about Tito Gobi, in which a number of his most celebrated arias were played, culminating in the death of Rodrigo from Don Carlos. I thought: "This is ridiculous; I've

played these records at home a hundred times." But I couldn't stop tears pouring. This happened with sonatas, symphonies, concertos. Music, it would seem, is a subversive stuff. No matter what music does to your emotions, use it. You will need it.

But you will also talk to your neighbours; and you will find that it is pretty easy actually to choose your neighbours. Chances are that one of your neighbours already in the ward when you arrived will leave well before you do. A couple of days before he goes, if you have spotted someone in another bed who looks friendly and interesting, murmur discreetly to Sister or one of the nurses, wondering gently and aloud whether Bill would like to be moved next to you. I was surprised to find that the nurses seemed happy to be more surprised that Bill seemed happy to be summoned.

I got a lot of agreeable conversation in that way, with a mini-cab driver, with a bricklayer who was an amateur poet, and with the manager of a disused gravel pit who explained at length that this ought to have been the perfect way to make a profitably-lucrative fortune, though he himself did not seem to be very rich. From several of my companions I heard anecdotes about the police which would have interested the Countryman investigators.

When they finally get you out of bed, do not be discouraged to find that your leg just won't bend at the knee. That is when the "physio-terrorists" will start on you in earnest. In my first encounter with one who said, as she began to bend my knee, "my first teacher used to say: if the patients aren't sweating you're not working hard

enough!" Grunt. Push. Ow. More recently I heard a variant on this theme: "If the patient tries, change the exercise." You will be surprised, I think, at how quickly your knee begins to work again.

After so much waiting, so many days and weeks of predictable routine, the end may be on you before you know it. Mine was a scramble. On a Friday morning they were talking of keeping me until the following Tuesday; by 4 p.m. I had talked them into letting me out that very afternoon. My wife arrived with a bottle of champagne and two suitcases. She opened them, and my jaw dropped. I stared at her: she stared at me. The suitcases were empty — no clothes to go home in. Fortunately Sister decreed that I could go home in my red dressing gown. But it's easy, while weeping over Verdi, to forget that the shock of your accident affects other people, too.

Total loss

It is, I'm afraid, a period of total loss of freedom. It will be hard on your family and friends, too, but they will adjust, as you will. If visitors bring you fruit and sweets, I do advise that you hand these over immediately to the nurses — if not out of gratitude, at least out of policy. When your children come to visit, they will certainly not sit quietly by your bed for 40 minutes, but will run down to Sister's office to see what they can scrounge. You might as well build up a credit balance.

And keep drinking your tea, seven times a day, seven days a week. It must be good for you.

Yours,
Ian

Letters to the Editor

Agricultural policy

From the President, National Farmers' Union.
Sir, — Although I did not agree with all the points made by Margaret van Hattem in her four articles on the common agricultural policy, I found the fact that in her last article (March 27) she listed some of the real achievements of CAP particularly welcome.

I must, however, disagree with her remedy for the policy's problems — a price freeze lasting for several years. The National Farmers' Union has supported a prudent price policy for products which are in surplus but with inflation in the EEC at around 12 per cent and rising, Miss van Hattem's proposal goes beyond prudence and would be an insupportable attack on European farming. I cannot believe that any other industry would be expected, or even asked, to suffer such a savage price reduction. Last year alone net income per farmer in the EEC fell by 7.7 per cent in real terms and since 1973 the trend has been for farm incomes to fall further and further behind average earnings. If prices were reduced in the way Miss van Hattem suggests, the pressure on farm incomes would become even more severe, with dire consequences for employment and the balance of payments — which she rightly sees as major achievements of CAP.

I might also add that the UK would suffer particularly from a price squeeze, as a result of our higher than average inflation. UK farm incomes are estimated to fall again this year for the third successive year. Given our advantage of efficiency, British farming can reasonably expect to export within a fairly operated CAP. If there were a long-term price freeze, we would surely contract, particularly since Governments without the financial constraints of our own would certainly find national means of supporting their own farmers.

I find it surprising that Miss van Hattem who criticises CAP for its reliance on the price mechanism as the sole instrument of policy, should suggest that necessary reform can be brought about by a price freeze alone. The problems of over-production are complex and we advocate a range of structural policies, such as incentives to switch from dairying, in addition to a prudent price policy.

R. C. Butler,
Agriculture House,
Knightsbridge, SW1.

Airmail via the Tube

From Mr. N. Albery
Sir, — On February 15 you published my suggestion that there should be a slot cut in the side of each Piccadilly line tube and posting boxes fitted so that members of the public could post express air letters destined for Heathrow flights.

This suggestion has since involved me in two meetings, one with the GPO and one with London Transport, and a long correspondence with Sir Horace Cutler.

Deflation and inflation

From the Honorary Secretary, Economic Research Council.

Sir, — Mr. John Mills (Mar. 21) challenges the case made in my letter of March 7 for the establishment of a Currency Commission. He asserts that "the collapse in 1929 had nothing to do with money supply." In fact, it was the failure of the Federal Reserve to carry out its task of maintaining the liquidity of the U.S. banking system which was the main factor in the subsequent collapse.

The depression in the UK, however, had started prior to 1929, the return to the gold standard in 1925 started a deflationary trend, culminating in nearly 30 per cent unemployment by 1930. The outward and visible sign of this deflation, clearly shown below, was the appreciation in the purchasing power of the £, accompanied by wholesale destruction and restriction in the production of food and goods.

Since 1945 a steady erosion in the purchasing power of the £ has taken place, as shown below. This is the outward and visible sign of inflation, which has, of course, worsened considerably since 1970.

Deflation and Inflation in Britain 1914-1970			
Year	£ d	1950	£ d
1914	20 0	1950	6 3
1930	8 0	1955	5 0

Year	£ d	1960	£ d
1925	11 5	1960	4 6
1930	12 8	1965	3 11
1935	14 0	1970	2 6
1940	10 3		
1945	7 10		

The aim of monetary policy should be to maintain the liquidity of the monetary system at such a volume that the general price level is held constant, which we have signally failed to do since 1914. If a Currency Commission, charged with the task of maintaining the stability of the £ had been in existence, it could, I suggest, have played a significant part in preventing pre-war deflation and post-war inflation and stop-go policies by ensuring that the money supply was closely related to the output of goods and services.

Edward Holloway,
Economic Research Council,
55 Park Lane, W1.

Sharing the profits

From Mr. A. Gray.

Sir, — With the publication (March 21) of figures from the GPO and one with London Transport, and a long correspondence with Sir Horace Cutler.

We have discussed several dozen snags, such as the dangers of inflation, the costs of a sorting staff at Heathrow, and the likely reactions of the unions, but none of these seem insuperable. The real problem is the likely rate of usage.

My costings show that the service would break even with about 300 letters (and small packages) a day (at a total fee of £1.25p per item). I am convinced that the service would attract far more items per day than this.

Nicholas Albery,
107, Freston Road, W11.

increases of between 15 per cent and 20 per cent on average, although in some instances 30 per cent increases are being recorded, coming only weeks after the figures from the John Lewis Partnership where the average bonus payment was £808 for each of the 24,000 members, is this not showing us a direction to follow to cure "wage inflation"?

If there is the possibility of, let us say, a 15 per cent bonus in a year's time, would it not be reasonable to accept a 5 per cent or even nil increase settling in the new institution-alised ritual called the "annual pay round" by any employees in that situation? Such a settlement would allow the management to price its products competitively, and hopefully this would increase turnover and capacity utilisation of plant and machinery, and profits should increase substantially, thereby providing the truly earned pay increase which everyone is saying is so necessary.

Clearly the manager cannot promise a 20 per cent pay rise ahead of the coming year's business because he does not know how much he will sell, and yet most wage negotiations today seem to take no account of this simple reality.

In an attempt to encourage and institutionalise such profit sharing (which is far more effective than issuing new equity to the generality of employees) it would be sensible to give businesses the right to distribute up to 10 per cent of pre-tax profits, free of tax on the donor and donee, provided that the money was divided between all the employees equally. Such a condition for the bonus fund would be mandatory and would allow everyone to feel fairly treated. For instance, a £400 tax-free bonus to a man earning £5,000 p.a. would be worth £71 or an 11.4 per cent pay increase, whereas to the

director on a 60 per cent marginal tax rate earning just over £25,000 it would be worth £1,000 or a 4 per cent pay increase.

Employees would immediately be made aware of the benefits of strike-free production and the visible sharing of profits in this manner could unify "the two sides of industry" and help to re-establish Britain as one of the leading manufacturing, low inflation, rate nations of the world.

Adrian Gray,
31, Russell Road,
Wimbledon, SW19.

Industrial relations

From Mr. D. Cockcroft.

Sir, — Your editorial "The weakness of unions" (March 20), is one of the most perceptive pieces written in a national newspaper about the British trade union movement for some time. It is certainly true that the authority of full-time officials (and union executives) is less than it should be. It is

certainly true that the resources at the disposal of most unions are hopelessly inadequate to enable them to do a proper professional job for their members. It is certainly true that the position of the TUC vis-à-vis its affiliated unions and their members is nowhere near strong enough to enable it to act effectively as the coherent voice of organised labour in Britain.

What a pity then that your editorial omitted to draw the inevitable conclusion from its own argument — that weakening still further the influence of unions' central organisations by means of state financed ballots or artificial restrictions on union membership agreements — can only damage, not improve, British industrial relations.

David Cockcroft,
Rue de la Fontenette 27,
CH-1227, Carouge/Geneva.

Selecting a market

From Mr. J. Hazel.

Sir, — Dr. Graham H. Ray (March 25) emphasised that the entrepreneurs to back are those operating in "rapid growth" environments, with which we must agree.

He might have gone on to say that this meant selecting a market or market segment with a potential of rapid growth.

An entrepreneur entering a rapidly growing market with a 5 per cent share is almost bound to succeed whereas an entrepreneur with 50 per cent of a declining market is almost doomed to failure. The entrepreneur's skill is in having the ability to recognise where rapid expansion is possible.

John Hazel,
Westend Farmhouse,
Nr. Alton, Hants.

The grass is growing

From the chairman, Kent Perennial Ryegrass and Wild White Clover Committee.

Sir, — Having read Mr. Arthur Bell's article "Ryegrass is growing" (March 15) I should like to endorse his remarks on the value of certain varieties as amenity grasses.

What is a little surprising is his failure to mention Kent Indigenous Perennial Ryegrass, a progenitor of S23, which has for many years been used for amenity and sports ground purposes. The variety Romney, which is a later heading selection has, in fact, given rather better results than S23 in trials carried out at the Sports Turf Research Institute. Both these Kent varieties, having been hard grazed by sheep over the centuries, are renowned for their persistence and speed of recovery after heavy punishment and this makes them particularly suitable for playing fields, football pitches etc.

In these days of tight money they also have the advantage of not being subject to royalties which the imported and newly bred varieties attract.

Geoffrey B. Richards,
Lecton Manor Farm,
Westwell,
Ashford, Kent.

Today's Events

GENERAL

UK: National Union of Teachers conference, Winter Gardens, Blackpool (until April 10).

National Association of Schoolmasters/Union of Women Teachers conference, Royal Hall, Harrogate.

The Queen opens King Edward

Court shopping centre, Windsor.

Variety Club of Great Britain tribute luncheon to Dickie Henderson, Savoy Hotel, London (until April 11).

Association of Clinical Pathologists conference opens, Hotel Majestic, Harrogate (until April 11).

National Model Railway Exhibition, Central Hall, Westminster (until April 12).

Traditional distribution of

Tuppenny Stavers (1 ft diameter buns) to congregation at St. Michael-on-the-Mount, Bristol.

OFFICIAL STATISTICS

Department of the Environment publishes housing starts and completions for February.

COMPANY MEETINGS

See Financial Diary of page 20.

COMPANY RESULTS

Final dividends: Barton and Sons, East Rand Consolidated, Erith, Rowan and Boden, John C. Small and Thomas, Interim dividends: The Highland Distilleries. Interim figures: Pyke Holdings.

As New York's oldest bank, we financed the trade of our young nation.

Now, almost 200 years later, we are financiers to the wide world.

Our international involvement began early. Soon after our nation's independence, The Bank of New York was founded to encourage the growth of America's fledgling commodities trade.

That was only the beginning.

Through the ensuing years, we have grown from strength to strength. Today, we have an important global reputation for both the quality and scope of our services to our corporate customers.

We can boast a uniquely compatible relationship with scores of correspondent banks, both at home and overseas.

And we serve the diverse financial needs of American corporate clients and their overseas subsidiaries, as well as local businesses all over the world.

London Pride.
Our London Branch at

147 Leadenhall Street provides the full range of commercial banking services.

It is actively involved in corporate lending, export-import financing, Euro-currency participations, leasing, cash management, corporate trust and investment management services.

London is complemented by the International Division in New York. The Bank's 149 branch offices throughout the entire State of New York and a complete branch in Singapore.

Merely the Very Best.

The Bank of New York has never sought to become the Very Biggest. Our aim is merely to be the Very Best.

In fact, we take pride in our rank as America's 19th largest bank. Not its Mass Money Mover. But its Finest Financier.



There is only one bank this old. And this new.

THE BANK OF NEW YORK

Member FDIC

London Office: 147 Leadenhall Street, London EC3V 4PN
Main Office: 48 Wall Street, New York, N.Y. 10015
Incorporated with limited liability in the State of New York, U.S.A.

Stability in Malaysia should help Yule Catto

THE POLITICAL and economic stability of Malaysia augurs well for the continuing success of Yule Catto and Co's plantation interests in that country, says Lord Catto, chairman, in his annual statement.

However, conditions for prosperity in the UK look less attractive in the short-term, he adds.

Pre-tax profits rose from £2.8m to £3.3m in the year to October 27, 1979, as reported on February 26. The main contribution came from rubber and oil palms, with profits of £2.6m, against £2.47m.

The chairman says the

construction of an oil palm mill was sanctioned during the year. The 20-ton-per-hour mill, capable of handling the company's total harvest is being built on Sedauk Estate at a cost of M\$5.3m and is expected to be operational early in 1981.

Group fixed assets totalled £9.56m (£9.74m) at the year-end. Current assets rose from £6.6m to £10.03m, while current liabilities increased from £3.8m to £5.82m, including bank overdrafts of £1.17m (£0.41m). There was a net outflow of funds during the year of £2.51m (£0.93m inflow).

Meeting, New Bond Street House, W, on May 1 at noon.

BSR reveals £5m loss on current cost basis

THE ACCOUNTS of BSR, the sound reproduction and consumer products group, reveal a fall from pre-tax profits of £3.29m to losses of £5.04m on a current cost basis for the year to January 5, 1980.

Historic profits dived to £3.88m (£15.17m), as reported on March 13. The trading surplus fell from £18.42m to £7.62m, and was struck after bad debts of £1.04m (£0.38m). The CCA loss was incurred after extra cost of sales of £5.63m (£2.88m), an ad-

verse working capital adjustment of £2.71m (£1.99m), and additional depreciation of £3.07m (£3.28m). However, there was a favourable gearing adjustment of £2.45m (£0.98m).

The balance-sheet, on historic terms, shows current assets at £99.53m, against £101.33m, including short-term deposits and bank balances of £3.59m (£13.65m). Current liabilities amounted to £38.31m, against £49.33m, with bank overdrafts and short-term loans at £32.31m (£19.31m). Long-term loans totalled £31.9m (£0.56m).

Nat liquid funds fell by £15.06m, compared with £11.43m. Mr. John Ferguson, chairman, said when reporting the preliminary results that overall unit sales for the sound reproduction division were slightly lower so far this year when compared with 1979. Consumer products sales for the first two months showed an improvement over last year, but he doubted if the trend would continue.

With margins under pressure,

every effort is being made to contain costs by new designs and reduction of manning levels, overhead expenditure and working capital requirements, he said.

Meeting, Savoy Hotel, WC, on April 28 at 11 a.m.

Expansion at E. Upton

On turnover ahead from £5.01m to £5.65m, pre-tax profits of E. Upton and Sons, departmental stores operator, expanded from £277,406 to £331,274 for the year to January 29, 1980. At midyear the profit improvement was from £76,325 to £97,329.

Yearly earnings per 25p share rose from 7.21p to 8.88p and the final dividend is 2p for a big total payment of 2.75p (2.58p) net.

The tax charge at £172,300 (£147,716) leaves the net balance up from £129,890 to £158,974.

Cautious over profit at Squirrel Horn

Demand is still depressed at Squirrel Horn, sweets manufacturer, but price increases at the start of the year and an effort to scale down costs to a lower level of production should help to improve profitability, says Mr. John Hardy, chairman, in his annual statement.

However, he adds, "we must be guarded when thinking in terms of profits in the present year."

The pre-tax surplus fell sharply from £338,664 to £331,333 in 1979, with second-half profits diving to £53,436 (£243,256), as reported on March 1. On a CCA basis, taxable profits are reduced to £155,592 (£455,397).

The dividend is raised to 1.8125p net (1.5104p adjusted).

Future dividend policy, however, must be closely related to the profits the company can earn and another year of disappointing profit would require a

critical examination of the dividend rate, he adds.

But the long-term future of the company must be good, he says, and it is to be hoped that measures already taken and being taken will, in due course, mean that the results for 1980 will not be disappointing.

The level of capital expenditure recently gives the directors the best grounds for optimism in the future, and they are satisfied that the company will be well placed to produce high quality goods at competitive prices when demand increases.

Current assets were down from £1.92m to £1.76m at the year-end, including bank and cash balances of £19,733 (£380,062). Current liabilities amounted to £1.07m (£872,941), including bank overdraft of £74,972 (nil).

Working capital fell by £440,872 (£178,422 increase).

R. Martin £20,000 lower at halftime

Announcing profits before tax £20,000 lower at £268,000 for the six months to December 31, 1979, the directors of R. Martin and Company, say they are hopeful that the profit trend will be maintained in the second half.

Trading results of the New York subsidiary of this foreign exchange and currency broker are still impairing profitability and the directors are giving particular attention to rectifying this situation.

The net interim dividend is maintained at 1.5p, on earnings of 2.4p (1.5p) per 5p share. Last year, on profits of £494,000 (£832,000), a total dividend of 3p was paid.

Half year turnover rose from £2.4m to £3.21m and the tax charge for the period was £170,000 (£226,000).

The Scottish Eastern Investment Trust Limited

AITC A member of The Association of Investment Trust Companies

Annual Report Year Ended 31st January 1980

	1980	1979
Earnings per Ordinary Share	3.36p	2.55p
Total dividends per Ordinary Share	3.20p	2.40p
Net Asset Value per Ordinary Share	86.9p	90.2p

Geographical Distribution of Portfolio

U.K. 62.8% North America 29.0% Far East 3.1% Elsewhere 5.1%

Highlights

Review of Year

- End of dividend controls increases earnings by 31.8%
- 'Special' dividend of 0.35p out of non-recurring income
- Dividend growth over 5 years outpaces Retail Price Index
- Removal of exchange controls ends dollar premium
- Excellent performance of U.S. investments in dollar terms

Policy and Prospects

- Pressures of worldwide inflation restrict outlook for growth
- Capital expenditure essential for future of U.K.
- U.S. industry continues to offer attractive investment opportunities
- Opportunity to diversify further internationally following removal of exchange controls
- Further improvement in revenue expected

Copies of the Report and Accounts may be obtained from the Managers and Secretaries,

Martin Currie & Co., C.A., 29 Charlotte Square, Edinburgh EH2 4HA

BIDS AND DEALS

Henderson-Kenton £6.6m over book on revaluation

A PROPERTY revaluation at Henderson-Kenton, the furniture and home furnishings group, currently the subject of an agreed bid by Harris Queensway, has thrown up a surplus of £6.6m over the book value of £3.6m.

As a result net tangible assets per share amount to 179p, the offer documents reveal. Harris Queensway's cash offer is for 220p.

If the offer succeeds—it has already been irrevocably accepted by the Board and shareholders representing 35.5 per cent of the equity—Henderson-Kenton will be absorbed within a division to be called Harris Furnishings which will also include 50 of the Hardy and Co. (Furnishers) stores acquired during last year's takeover.

A pro forma statement of the net assets of the combined group (based on figures for Harris at last December and for Henderson the previous March) show total borrowings of £24.3m. Net assets amount to £28.35m including net current liabilities of £9.38m. Harris' own borrowings had increased from £11.3m to £15.5m between December, 1978, and March, 1980.

HAWKER SIDDELEY ACQUIRES FASCO

Hawker Siddeley Group has completed its acquisition of Fasco Industries Inc., a privately owned U.S. corporation, for \$100m to cash.

Fasco manufactures fractional horsepower electric motors for use in a wide variety of consumer and commercial products, electrically driven products for domestic and commercial premises, and pressure and temperature controls.

ALLIED PLANT

Allied Plant Group has conditionally agreed to buy M. Walker and Son, Hull-based plumber and heating engineer, for £200,000.

Completion is conditional on an accountants' investigation into Walker, satisfactory to APG.

The consideration is payable at completion by way of 500,000 APG ordinary shares, to be issued at 35p with the balance of £25,000 in cash.

New shares will be entitled to the final dividend for 1979. The net tangible assets of Walker, as at December 1980, are expected to be £200,000.

Additional consideration of up to £200,000 (in shares at the then

market value or cash at APG's option) will be paid provided the net profits for the two years ending March 31, 1981, reach at least £250,000, such additional consideration being reduced pound for pound if profits fall short of the £250,000.

Walker's profits for the year ended March 31, 1979, were £55,000. They are expected to be £100,000 in 1979-80 and about £150,000 in 1980-81.

Marsh bid delay

Marsh and McLennan, the large U.S. broker which is bidding for C. T. Bowring of the UK, has supplied additional information about its bid to the U.S. justice department. This will result in a delay of the offer.

In an announcement, the company said the information was supplied to the anti-trust division of the department in accordance with the Hart-Scott-Rodino act. This lays down disclosure and timing requirements for takeovers in the U.S.

There was no suggestion that the department's request was anything but routine. However, Marsh will not be able to proceed with its £237m bid until 20 days after the material was submitted.

F. BURGESS/ NORRINGTON

Frederick H. Burgess now holds 86.7 per cent of Henry Norrington and Son, and the offer has been declared unconditional. The offer has been accepted in respect of 77.7 per cent, or 2,957,252 5p shares, of Norrington. The shares over which Burgess held the options have been included in the total.

FT Share Information

The following securities have been added to the Share Information Service appearing in the Financial Times: —

American Hospital Supply (Section: World Markets—New York), Child Health Research (Investment Trusts), Keep Investment Trust (Investment Trusts), Nickelore (Mines—Australia), North Sea Assets (Oil and Gas), Webber Electro Components (Electricals).

BOARD MEETINGS

The following companies have notified details of board meetings to the Stock Exchanges. Such meetings are usually held for the purpose of considering dividends. Official notices are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's transactions.

TODAY
Interim: Highland Oilfields.
Final: Bardon and Sons, East Rand Consolidated, Erith, Rowan and Boden, John C. Small and Tidmes.
FUTURE DATES
Interim: Linred. Apr. 16
Sun Life Assurance Apr. 16
W. J. Ribbons Apr. 11

M. J. H. Nightingale & Co. Limited

27/28 Levat Lane London EC3R 8EB Telephone 01-621 1212

200's capitalisation	Company	Last Change	Gross	Yield	P/E
3,842	Airsprung	83	-2	6.7	10.5
10,157	Armstrong and Rhodes	28	-1	3.8	13.8
7,780	Bardon Hill	225	0	13.8	5.4
800	County Cars 10.7% Pfd.	80	0	15.3	19.1
6,886	Deborah Ord.	97	-1	5.0	5.1
4,107	Frank H. Hill	107	0	2.8	7.4
14,158	Frederick Parker	98	-2	12.8	13.1
2,278	George Blair	107	+1	16.5	15.4
1,750	James Group	70	0	5.2	7.4
15,734	James Burrough	114	0	7.2	6.3
2,754	Robert Jenkins	270	+40	31.3	11.6
3,325	Tordoy	225	0	14.3	5.71
2,457	Twinnick Ord.	111	0	0.8	7.3
2,157	Twinnick 12% US	79	0	3.0	15.2
6,389	United Holdings	48	0	2.8	5.3
1,078	Unifac Hldgs. New	49	0	—	10.4
12,507	Walter Alexander	98	+3	4.4	4.4
4,341	W. S. Yocum	185	+2	12.1	6.5

† Accounts prepared under provisions of SSAP 15.

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rate for deposits received not later than 18.4.80:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	14 1/4	14 1/4	14 1/4	14 1/4	14 1/4	14 1/4	14 1/4	14 1/4

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

30th APRIL 1980 REDEMPTION TRANSALPINE FINANCE HOLDINGS S.A. U.S. \$25,000,000 6 3/4% Loan 1983

REDEMPTION OF BONDS

Transalpine Finance Holdings S.A. announces that for the redemption period ending on 30th April 1980 it has purchased and cancelled bonds of the above loan for U.S. \$1,790,000 nominal capital and tendered them to the Trustee.

The nominal amount of bonds to be drawn for redemption at par on 30th April 1980 to satisfy the Company's current redemption obligation is accordingly U.S. \$465,000 and the nominal amount of this loan remaining outstanding after 30th April 1980 will be U.S. \$6,800,000.

DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 19th March 1980 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when \$465 bonds for a total of U.S. \$465,000 nominal capital were drawn for redemption at par on 30th April 1980, from which date all interest thereon will cease.

The following are the numbers of the bonds drawn:

000003	000010	000011	000012	000013	000014	000015	000016	000017	000018	000019	000020
000021	000022	000023	000024	000025	000026	000027	000028	000029	000030	000031	000032
000033	000034	000035	000036	000037	000038	000039	000040	000041	000042	000043	000044
000045	000046	000047	000048	000049	000050	000051	000052	000053	000054	000055	000056
000057	000058	000059	000060	000061	000062	000063	000064	000065	000066	000067	000068
000069	000070	000071	000072	000073	000074	000075	000076	000077	000078	000079	000080
000081	000082	000083	000084	000085	000086	000087	000088	000089	000090	000091	000092
000093	000094	000095	000096	000097	000098	000099	000100	000101	000102	000103	000104
000105	000106	000107	000108	000109	000110	000111	000112	000113	000114	000115	000116
000117	000118	000119	000120	000121	000122	000123	000124	000125	000126	000127	000128
000129	000130	000131	000132	000133	000134	000135	000136	000137	000138	000139	000140
000141	000142	000143	000144	000145	000146	000147	000148	000149	000150	000151	000152
000153	000154	000155	000156	000157	000158	000159	000160	000161	000162	000163	000164
000165	000166	000167	000168	000169	000170	000171	000172	000173	000174	000175	000176
000177	000178	000179	000180	000181	000182	000183	000184	000185	000186	000187	000188
000189	000190	000191	000192	000193	000194	000195	000196	000197	000198	000199	000200
000201	000202	000203	000204	000205	000206	000207	000208	000209	000210	000211	000212
000213	000214	000215	000216	000217	000218	000219	000220	000221	000222	000223	000224
000225	000226	000227	000228	000229	000230	000231	000232	000233	000234	000235	000236
000237	000238	000239	000240	000241	000242	000243	000244	000245	000246	000247	000248
000249	000250	000251	000252	000253	000254	000255	000256	000257	000258	000259	000260
000261	000262	000263	000264	000265	000266	000267	000268	000269	000270	000271	000272
000273	000274	000275	000276	000277	000278	000279	000280	000281	000282	000283	000284
000285	000286	000287	000288	000289	000290	000291	000292	000293	000294	000295	000296
000297	000298	000299	000300	000301	000302	000303	000304	000305	000306	000307	000308
000309	000310	000311	000312	000313	000314	000315	000316	000317	000318	000319	000320
000321	000322	000323	000324	000325	000326	000327	000328	000329	000330	000331	000332
000333	000334	000335	000336	000337	000338	000339	000340	000341	000342	000343	000344
000345	000346	000347	000348	000349	000350	000351	000352	000353	000354	000355	000356
000357	000358	000359	000360	000361	000362	000363	000364	000365	000366	000367	000368
000369	000370	000371	000372	000373	000374	000375	000376	000377	000378	000379	000380
000381	000382	000383	000384	000385	000386	000387	000388	000389	000390	000391	000392
000393	000394	000395	000396	000397	000398	000399	000400	000401	000402	000403	000404
000405	000406	000407	000408	000409	000410	000411	000412	000413	000414	000415	000416
000417	000418	000419	000420	000421	000422	000423	000424	000425	000426	000427	000428
000429	000430	000431	000432	000433	000434	000435	000436	000437	000438	000439	000440
000441	000442	000443	000444	000445	000446	000447	000448	000449	000450	000451	000452
000453	000454	000455	000456	000457	000458	000459	000460	000461	000462	000463	000464
000465	000466	000467	000468	000469	000470	000471	000472	000473	000474	000475	000476
000477	000478	000479	000480	000481	000482	000483	000484	000485	000486	000487	000488
000489	000490	000491	000492	000493	000494	000495	000496	000497	000498	000499	000500
000501	000502	000503	000504	000505	000506	000507	000508	000509	000510	000511	000512
000513	000514	000515	000516	000517	000518	000519	000520	000521	000522	000523	000524
000525	000526	000527	000528	000529	000530	000531	000532	000533	000534	000535	000536
000537	000538	000539	000540	000541	000542	000543	000544	000545	000546	000547	000548
000549	000550	000551	000552	000553	000554	000555	000556	000557	000558	000559	000560
000561	000562	000563	000564	000565	000566	000567	000568	000569	000570	000571	000572
000573	000574	000575	000576	000577	000578	000579	000580	000581	000582	000583	000584
000585	000586	000587	000588	000589	000590	000591	000592	000593	000594	000595	000596
000597	000598	000599	000600	000601	000602	000603	000604	000605	000606	000607	000608
000609	000610	000611	000612	000613	000614	000615	000616	000617	000618	000619	000620
000621	000622	000623	000624	000625	000626	000627	000628	000629	000630	000631	000632
000633	000634	000635	000636	000637	000638	000639	000640	000641	000642	000643	000644
000645	000646	000647	000648	000649	000650	000651	000652	000653	000654	000655	000656
000657	000658	000659	000660	000661	000662	000663	000664	000665	000666	000667	000668
000669	000670	000671	000672	000673	000674	000675	000676	000677	000678	000679	000680
000681	000682	000683	000684	000685	000686	000687	000688	000689	000690	000691	000692
000693	000694	000695	000696	000697	000698	000699	000700	000701	000702	000703	000704
000705	000706	000707	000708	000709	000710	000711	000712	000713	000714	000715	000716
000717	000718	000719	000720	000721	000722	000723	000724	000725	000726	000727	000728
000729	000730	000731	000732	000733	000734	000735	000736	000737	000738	000739	000740
000741	000742	000743	000744	000745	000746	000747	000748	000749	000750	000751	000752
000753	000754	000755	000756	000757	000758	000759	000760	000761	000762	000763	000764
000765	000766	000767	000768	000769	000770	000771	000772	000773	000774	000775	000776
000777	000778	000779	000780	000781	000782	000783	000784	000785	000786	000787	000788
000789	000790	000791	000792	000793	000794	000795	000796	000797	000798	000799	000800
000801	000802	000803	000804	000805	000806	000807	000808	000809	000810	000811	000812
000813	000814	000815	000816	000817	000818	000819	000820	000821	000822	000823	000824
000825	000826	000827	000828	000829	000830	000831	000832	000833	000834	000835	000836
000837	000838	000839	000840	000841	000842	000843	000844	000845	000846	000847	000848
000849	000850	000851	000852	000853	000854	000855	000856	000857	000858	000859	000860
000861	000862	000863	000864	000865	000866	000867	000868	000869	000870	000871	000872
000873	000874	000875	000876	000877	000878	000879	000880	000881	000882	000883	000884
000885	000886	000887	000888	000889	000890	000891	000892	000893	000894	000895	000896
000897	000898	000899	000900	000901	000902	000903	000904	000905	000906	000907	000908
000909	000910	000911	000912	000913	000914	000915	000916	000917	000918	000919	000920
000921	000922	000923	000924	000925	000926	000927	000928	000929	000930	000931	000932
000933	000934	000935	000936	000937	000938	000939	000940	000941	000942	000943	000944
000945	000946	000947	000948	000949	000950	000951	000952	000953	000954	000955	000956
000957	000958	000959	000960	000961	000962	000963	000964	000965	000966	000967	000968
000969	000970	000971	000972	000973	000974	000975	000976	000977	000978	000979	000980
000981	000982	000983	000984	000985	000986	000987	000988	000989	000990	000991	000992
000993	000994	000995	000996	000997	000998	000999	001000	001001	001002	001003	001004
001005	001006	001007	001008	001009	001010	001011	001012	001013	001014	001015	001016
001017	001018	001019	001020	001021	001022	001023	001024	001025	001026	001027	001028
001029	001030	001031	001032	001033	001034	001035	001036	001037	001038	001039	001040
001041	001042	001043	001044	001045	001046	001047	001048	001049	001050	001051	001052
001053	001054	001055	001056	001057	001058	001059	001060	001061	001062	001063	001064
001065	001066	001067	001068	001069	001070	001071	001072	001073	001074	001075	001076
001077	001078	001079	001080	001081	001082	001083	001084	001085	001086	001087	001088
001089	001090	001091	001092	001093	001094	001095	001096	001097	001098	001099	001100
00											

In our 84th year in London The Morgan Bank has a new House

Member, FDIC. Incorporated with limited liability in the U.S.A.



MORGAN HOUSE

At Morgan Guaranty Trust Company's new London home are Alfred M. Vinton Jr., vice president and general manager of the bank's offices in London, left, and Neil D. Chrisman, senior vice president, British Isles and Scandinavia.

Beginning this morning, the principal London office of Morgan Guaranty Trust Company is in Morgan House, a striking new 21-storey building in the heart of the City.

We've moved from 33 Lombard Street, where on 1st March, 1897, we opened one of the first overseas branches of an American bank. Morgan House is at 1 Angel Court, between the Bank of England and the Stock Exchange. Its distinctive 15-storey tower rises from a six-storey podium block.

We're proud to be doing business on this site, rich in City tradition. Since 1556 the land has been owned by the Clothworkers' Company, a craft guild. The Clothworkers built and own the building.

Morgan's start in England

Our own roots in London go back quite a way. It was 1854 when Junius Spencer Morgan came here to join the merchant banking firm of another American, George

Peabody. A few years later Mr. Morgan's son Pierpont founded, as an offshoot of the London house, the New York firm of J.P. Morgan & Co., one of our predecessors.

The Morgan Bank's other forebear, Guaranty Trust Company, started our office in Lombard Street with two people. Today our London staff numbers more than 1,100. (Our International Private Banking office continues at 31 Berkeley Square, and our operations centre remains at Stratford.)

Keeping up with growth

Over the years we expanded the Lombard Street quarters several times—and rebuilt them after they were demolished by a direct hit during a 1940 bombing raid. To accommodate our growth in recent years, we leased space in various parts of London. Now, at Morgan House, our services to corporations, financial institutions, and governments are concentrated at one location. They

include sterling and Euro-currency lending, project finance, international money management, foreign exchange dealing, international investment management.

One of the highlights of our new home is the foreign exchange dealing room, equipped with what we believe to be the most sophisticated information system yet devised for a financial installation. Each of the 58 dealing positions has instant access by video screen to current market data on all major currencies. Communication with trading rooms in other Morgan offices around the world is continuous.

Looking ahead with London

Morgan House is a statement of our belief in London's continued leadership in international finance. Our 83 years in Lombard Street are a record for an American bank in London. We'd like to surpass that record at Morgan House.

The Morgan Bank

CURRENT INTERNATIONAL BOND ISSUES

Something of a crack in the ice did appear this week with Greece, which has a relatively substantial borrowing requirement this year. The country's central bank opted to keep the market sweet with a 4 per cent spread throughout on its eight-year \$450m credit. This is a slight concession to the banks when compared with the spread of 4 per cent over 10 years on a \$500m credit arranged by the same borrower last November.

In the domestic loan calendar for the current quarter banks account for no less than SwFr 1.2bn out of a total fresh offtake of SwFr 2.2bn. The Swiss Government is to raise SwFr 400m in new money and this leaves only a relatively small share for other borrowers, including cantonal governments,

But it probably represents a "window" rather than a "turn." The weakness of the currency, the rate of German wholesale price inflation, the German current account outlook and the level of interest rates in the U.S. all continue to suggest that the direction for short-term interest rates in Germany is upwards and that

At the same time total asset growth in the three institutions was 10.5 per cent, 16 per cent, and 9.4 per cent respectively.

The banks thus found themselves short of funds to finance

* Not yet priced. † Final terms. ** Placement. † Floating rate note. ‡ Minimum. § Convertible.
†† Registered with U.S. Securities and Exchange Commission. ¶ Purchase Fund.
Note: Yields are calculated on AIBD basis.

	Week to April 4	Week to March 28
3-month Tresa. Bill	14.5%	14.5%
1-month Cmn. Paper	18.75	N/A
Fed Funds weekly		
Average	18.32	18.85
Range	12.75	12.48
Long-mat. AAA Utility	13.87	14.75
Long-mat. AAA Indus.	13.82	13.70
Govt. Releases		

BONUTRADE INDEX AND YIELD				
		Medium term	Long term	
April	3	86.29	72.95	12.93
Mar.	28	86.40	73.08	12.92
High	70	81.03	72.38	(21/2)
Low	70	81.03	71.54	(23/4)

EUROBOND TURNOVER (nominal value in \$m)		
U.S. \$ bonds	Code/	Euroclear
Last week	338.6	1,947.6
Previous week	893.0	2,128.1
Other bonds		
Last week	269.9	264.4
Previous week	185.4	269.6

[illegible]

Spread=margin above six-month interest rate (+ three-month spread rate) for U.S. dollars. **Cpn**=The current coupon. **Cyld**=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. **Chg. day**=Change on day. **Cnv. date**=First date for conversion into shares. **Cnv. price**=Nominal amount of bond per share expressed in currency of share at conversion. **Fixed at issue**. **Prem**=Percentage premium of the current effective price of acquiring shares vs the bond over the most recent price of the shares.

The IBF shows the 200 listed international bonds for which an adequate market interest exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Lyonnais; Societe Generale de France; Credit Lyonnais; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internationale Luxembourg; Kredietbank Luxembourg; Citibank; Citibank Nederland NV; Pierson, Heldring and van der Grinten; Credit Suisse/Swiss Credit Bank; Uninn Bank of Switzerland; Akroyd and Smithers; Bankers International; Bontrade; Credit Commercial; Credit Commercial (Secs.)-London; Citicorp International Bank; Daiwa Europe Bank; Delftec Trading Company; Dillon, Read Overseas Corporation; EBS; First; Goldman Sachs International Corporation; Hambros Bank; IBF International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Solomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co.; Sunnito Finance International; S. L. Warburg and Co.; Wood Gundy.

100 CANNON STREET



Banco de Bilbao

Now, even better placed...

After more than 60 years, the main UK Branch has moved to 100 Cannon Street, London EC4. So, from April 8, 1980 we are in a better situation to help with your corporate and private financial problems.

The Banco de Bilbao Group offers the full range of commercial, consortium and merchant banking services; property and insurance companies; investment trusts; and leasing and computer facilities. The Group has a worldwide network of Branches, Representative offices and correspondents.

Main UK Branch:
100 Cannon Street,
London EC4N 6EH
Telephone 01-623 3060
01-621 3066
(Foreign Exchange)
Telex 8811693

Other UK Branches:
40 King St.
London WC2E 8JU
Tel: 01-836 5144
74 Commercial St.
London E1 6LT
Tel: 01-247 9621

3 Sloane St.
London SW1X 9LN
Tel: 01-235 9848

1 Nine Elms Lane
London SW8 5NU
Tel: 01-720 6751



BANCO DE BILBAO

GENERAL MANAGEMENT INTERNATIONAL, ALCALA 16, MADRID, SPAIN.

© The Financial Times Ltd., 1980. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by Inter-Bond Services (a subsidiary of dataSTREAM International).

Closing prices on April 3

The other side of the coin

coin, as the major gold producing countries move into this lucrative market. The USSR also mints coins in this category, and Mexico has launched an intensive campaign to promote its coins in the U.S.

The sharp rise in the value of gold has also encouraged the producers to market much smaller coins. South Africa should soon be cellophane half ounce, quarter ounce and one tenth ounce coins to maintain its position and encourage sales to the jewellery trade.

These coins are simply an extension of the bullion market, but there is another group, which has numismatic appeal,

OTHER CURRENCIES

April. 6	£	\$	£	Note rates
Argentina Peso ..	3762-3778	1743-1755	Austria ..	88.90-30.20
Australia Dollar ..	19355-19370	9,021.00-9,095	Belgium ..	39.20-70.50
Brazil Cruzeiro ..	28.95-30.078	46.50-47.00	Denmark ..	19.95-15.06
Finland Markka ..	8.35-8.34	0.9210-0.9185	France ..	9.52-9.58
Greek Drachma ..	90.299-994.87	10.40-41.70	Germany ..	4.18-4.21
Hong Kong Dollar ..	10.30-10.194	0.0810-0.0850	Italy ..	1895-1980
Iran Rial ..			Japan ..	3.53-3.35
Kuwait Dinar(D) ..	0.090-0.500	0.775-0.870	Netherlands ..	4.51-4.57
Luxembourg Prc.	10.27-0.00	51.42-51.43	Norway ..	11.09-11.17
Malaysia Dollar ..	4,254.0-4,860	9,326.5-9,398	Portugal ..	107½-112½
Peru Centavo(D) ..	29.895-30.00	47.10-10.70	Spain ..	16.95-16.04
Saudi Arab. Riyal ..	71.0-7.90	3.375-3.355	Sweden ..	9.63-9.08
Singapore Dollar ..	4.2375-4.25	8.265-8.285	Switzerland ..	0.98-0.91
Sri. African Rand ..	1.713-1.7020	0.995-0.980	United States ..	9.136-2.146
U.A.E. Dirham ..	7.97-0.57	4.70-6.27	Yugoslavia ..	50½-52½

Note above the American is in gold rate.
 Note below the American is in paper rate.

1

export: one-month 18.95-19.05 per cent; three-months 18.20-18.30 per cent; six

U.S. Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
5-20	8½-8¾	19½-19¾	18-14	12½-12¾	8-11
10-10	8¾-8¾	19½-19¾	19½-10¼	12½-12¾	11¼-12
10-10	9-9	19½-19¾	19½-10¼	12½-12¾	12-13
14-7½	10½-10½	15-14	18½-19½	19-19½	14¾-10
14-7½	10½-10½	14½-14½	18½-19½	19-19½	14¾-15¾
20-7½	10½-10½	14½-14½	20-21	17½-17½	15¾-15¾

THE POUND SPOT AND FORW

[illegible]

CURRENCY RATES

[illegible]

The table below gives the latest available rates of exchange for the pound against various currencies as of April 3, 1960. In some cases rates are given for currencies to which they are tied.

except where they are shown to be otherwise. In some cases market rates have been calculated from rates for currencies to which they are tied.

as direct quotation available: (F) free (P) based on U.S. dollar parities and going sterling (G) and (S) members of the sterling area (T) Scheduled Territories; (T) tourist rate; (B) basic rate; (B) buying rate;

(B) bankers' rate; (C) commercial rate; (A) accounts rate; (F) financial rate; (C) exchange certificate rate; (S) scheduled territory; (C) commercial rate; (S) selling rate;

Abbreviations: (A) approximate rate;

[illegible]

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. †Rupees per pound. ‡General rates of oil and iron exports 89.86. §Rate is the transfer market (controlled). ¶Rate is now based as 2 Barbados \$ to the dollar. **New as official mms. (U) Unified mms. applicable on all transactions except countries having a bilateral agreement with Egypt, and who are not members of IMF. (I) Based as gross rates against

Welcomed in more than a million places all over the world.

The accepted name for money Worldwide.

There's Cook's money in 150 different currencies.

**Consolidated results for the year ended
31st December 1979 and 1979 final dividend**

	Year ended 31st December		
	1979 HK\$M	1978 HK\$M	1977 HK\$M

Turnover	<u>747.8</u>	<u>430.8</u>	<u>205.1</u>
Profit before taxation	<u>300.9</u>	<u>220.9</u>	<u>133.4</u>
Taxation	<u>47.0</u>	<u>37.4</u>	<u>22.8</u>
Profit after taxation	<u>253.9</u>	<u>183.5</u>	<u>110.8</u>
Minority interests	<u>18.0</u>	<u>11.6</u>	<u>11.0</u>
Profit for the year	<u>237.9</u>	<u>171.9</u>	<u>99.6</u>
Analysis of profit:			
Property trading	<u>170.2</u>	<u>118.9</u>	<u>87.8</u>
Investments	<u>67.7</u>	<u>53.0</u>	<u>32.0</u>
	<u>237.9</u>	<u>171.9</u>	<u>99.6</u>
Hong Kong	<u>201.3</u>	<u>159.3</u>	<u>90.6</u>
USA	<u>30.5</u>	<u>7.2</u>	<u>4.2</u>
Malaysia	<u>6.1</u>	<u>5.4</u>	<u>4.8</u>
	<u>237.9</u>	<u>171.9</u>	<u>99.6</u>
EARNINGS PER SHARE	<u>68.7¢</u>	<u>49.7¢</u>	<u>30.8¢</u>
DIVIDENDS PER SHARE:			
Interim	<u>11.0¢</u>	<u>8.0¢</u>	<u>6.5¢</u>
Final — recommended	<u>31.0¢</u>	<u>20.0¢</u>	<u>12.0¢</u>
	<u>42.0¢</u>	<u>28.0¢</u>	<u>18.5¢</u>
ASSETS PER SHARE	<u>\$8.60</u>	<u>\$3.17</u>	<u>\$2.38</u>

J.H. Bremridge
Chairman

[illegible]
BANCO CENTRAL DO BRASIL

Guaranteed Floating Rate Notes 1978-1983
Irrevocably and Unconditionally Guaranteed by

Agent Bank
Orion Bank Limited

**AUTHORISED
UNIT
TRUSTS**

[illegible][illegible][illegible]

Continued on previous page.

مكتون اهل

Japan's leader in international securities and investment banking

NOMURA

The Nomura Securities Co., Ltd.

NOMURA EUROPE N.V. LONDON OFFICE
Barbican Square, London EC2A 4PU, London EC2A 4PU, Phone: 071 600 9111, 6023

MINES—Continued

CENTRAL AFRICAN

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

AUSTRALIAN

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

TINS

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

COPPER

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

MISCELLANEOUS

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

NOTES

Notes are issued by the Bank of England and are payable to the bearer on demand. They are issued in denominations of £1, £5, £10, £20, £50, and £100. They are issued by the Bank of England and are payable to the bearer on demand. They are issued in denominations of £1, £5, £10, £20, £50, and £100.

REGIONAL MARKETS

Market	Price	Lot	Vol	Chg
London	100	100	100	+
New York	100	100	100	+
Paris	100	100	100	+
Frankfurt	100	100	100	+
Bombay	100	100	100	+
Calcutta	100	100	100	+
Rangoon	100	100	100	+
Singapore	100	100	100	+

OPTIONS

3-month Call Rates

Option	Price	Lot	Vol	Chg
Call 100	100	100	100	+
Call 200	100	100	100	+
Call 300	100	100	100	+
Call 400	100	100	100	+
Call 500	100	100	100	+

DIAMOND AND PLATINUM

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FINANCE

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

TE-S

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

OVERSEAS TRADERS

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

INDIA AND BANGLADESH

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

SRI LANKA

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

AFRICA

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FINANCE, LAND—Continued

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

OIL & GAS

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

OVERSEAS TRADERS

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

INDIA AND BANGLADESH

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

SRI LANKA

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

AFRICA

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

MINES

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

CENTRAL RAND

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

EASTERN RAND

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FAR WEST RAND

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

O.F.S.

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FINANCE

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

DIAMOND AND PLATINUM

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FINANCE

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

FINANCE

Stock	Price	Lot	Vol	Chg
Anglo American	230	100	100	+
De Beers	180	100	100	+
Gold Fields	120	100	100	+
Impresso	100	100	100	+
Platinum	80	100	100	+
Roan Antelope	60	100	100	+
Stannary	40	100	100	+
Witwatersrand	30	100	100	+

Map	Res. Plat. 10c	25	2210	1020c	3.1	5.8
-----	----------------	----	------	-------	-----	-----

Tecalemit
to care for it



FLUID TRANSFER CONTROL AND
FILTRATION • LUBRICATION SYSTEMS •
GARAGE EQUIPMENT •
COMBUSTION ENGINEERING

FINANCIAL TIMES

Tuesday April 8 1980

WORLD LEADERS IN
ARTICULATED TRUCKS
DJB ENGINEERING LTD.
Preston, Cn. Durham

Post Office requests extra £150m above cash limits

BY JOHN LLOYD

THE POST OFFICE is asking the Government for permission to spend £150m above its £1.5bn cash limits in the present financial year (1980-81), mainly on customer apparatus in the telecommunications business.

However, the Government is insisting at present that cash limits should be strictly adhered to, although the corporation believes it may relax its stance later in the year.

In common with other nationalised industries, the Post Office argues that it should be allowed more freedom to borrow on the open market.

Sir William Barlow, the Post Office chairman who was elected last week as chairman of the Nationalised Industries Chairman's Group, will press that case strongly to Government.

The corporation believes

the case is particularly strong in telecommunications, where investment is presently wholly self-financed.

It would like to see about 20 per cent of its future capital requirements financed by loans, arguing that 100 per cent self-financing penalises present customers, whose tariffs pay for future customers' services.

It also argues that more than 90 per cent of the extra £150m it wants will be spent with UK manufacturing industry, and that continuing annual growth of 10 per cent in telephone use demands more liberal financing arrangements.

It would be unusual for the present Government to encourage increases in telecommunications prices to finance extra investment.

Although it concedes that telecommunications prices may

have to rise regularly once a year to keep pace with inflation, it wishes to keep prices below the rise in the retail price index, not to let them outstrip it.

Another source of tension between senior management and Government has been the latter's proposals for, and criticism of, the corporation's proposals for its future.

This feeling here is that ideas on liberalising the telecommunications monopoly, still being considered by the Government, with plans on customer services drawn up by Sir Derek Rayner, the Prime Minister's adviser on increased efficiency in the public sector, have sometimes been ill-considered.

The corporation is probably willing to concede a limited open market on subscribers' apparatus, such as telephones,

telex machines and data equipment.

The Rayner proposals concern the possible payment of social security and other benefits by direct payment to claimants' bank accounts, thus by-passing the Post Office counter network.

The corporation argued strongly to the Select Committee on Industry last month that direct payment would mean an impossibly rapid expansion of the Girobank system.

It has yet to receive formal proposals on the payment of benefits. It is thought possible that the practical objections to them, coupled with possible damaging effects to sub-post offices, especially those in rural areas, has led to their modification or even to their withdrawal.

Pan Am to keep Miami-Heathrow route

By Ian Hargreaves in New York

PAN AMERICAN World Airways seems certain to retain the valuable Miami-Heathrow route it acquired when it took over National Airlines, judging by an announcement yesterday from the Civil Aeronautics Board.

The board has tentatively decided to reverse its previous decision that Pan Am should be shorn of the route because of the company's existing strength on the Atlantic routes.

The reason for the change of heart is that under the recent "Bermuda Two" amendments to the U.S.-UK air services agreement, any U.S. airline taking on the route would have to switch the Miami service's London destination from Heathrow to Gatwick airport.

Take over

The Miami-Heathrow route is one of the fastest growing services in international aviation, with Miami benefiting from booming Europe-Florida tourism and from its emergence as a hub for serving South American and Caribbean destinations.

Several airlines have been vying fiercely to take over the service. A CAB administrative law judge recently ruled in favour of the Florida-based Eastern Airlines, and the CAB's International department was known to have recommended the much smaller but fast-growing Air Florida for the service.

Gatwick plan

Yesterday's announcement suggests that Pan Am will keep the route for at least three more years, although the decision is subject to comment from affected parties and possible reconsideration by the full Board.

Meanwhile, the CAB is also to consider proposals from airlines for new routes between Miami and Gatwick. It said yesterday it hoped to complete this study by January 1981.

The importance of the Miami-Heathrow route is evident in National's final annual report before it became part of Pan Am in January. This shows that half the company's \$6m (£2.8m) operating income came from its European operations, much the largest of which is Miami-London.

Weather

MAINLY dry with a good deal of sun in England and Wales. Cloudy with occasional rain but brighter later in Scotland and Northern Ireland.

London, S.E. S. Midlands Mainly dry with sunny periods. Max. 13C (55F).

E. Cent. N. N.E. England, Scotland, Ireland, Channel Isles Scattered showers, sunny intervals. Max. 10C (50F).

S.W. N.W. England, Wales, Channel Isles Cloudy, slight rain in places, becoming brighter from North. Max. 12C (54F).

Lakes, I.O.M., S.W. Scotland, Glasgow, Argyll, N. Ireland Showers, rain, periods of rain dying out. Sunny intervals later. Max. 12C (54F).

Rest of Scotland, Orkney and Shetland Showers, some wintry, especially over high ground. Max. 11C (50F).

Outlook: Changeable in the North, mostly dry in the South.

WORLDWIDE

Area	Temp	Wind	Cloud	Temp	Wind	Cloud
Amsterdam	12	10	10	12	10	10
Antwerp	12	10	10	12	10	10
Brussels	12	10	10	12	10	10
Frankfurt	12	10	10	12	10	10
Hamburg	12	10	10	12	10	10
London	12	10	10	12	10	10
Manchester	12	10	10	12	10	10
Paris	12	10	10	12	10	10
Rome	12	10	10	12	10	10
Stockholm	12	10	10	12	10	10
Switzerland	12	10	10	12	10	10
Vienna	12	10	10	12	10	10
Zurich	12	10	10	12	10	10

THE LEX COLUMN

Searching for the bottom line

The accounting profession has made its decision over current cost accounting. It is now up to the City to adapt to the new standard. The question is what SSAP 16 means to the "bottom line"; and also, perhaps, what it means to the dividend policy of companies when they shake off the legacy of past years of 10 per cent norms, and pay less attention to the rosy picture created by historical cost SSAP 15 earnings.

Remember that SSAP 15 is the deferred tax accounting standard which says that companies should only provide for deferred tax when it is likely to have to be paid within the foreseeable future (three years or so). Combined with historical cost profits swollen by the effects of rapid inflation, it has produced an outcome in practice in which industrial companies appear to enjoy dividend cover of over 2½ times.

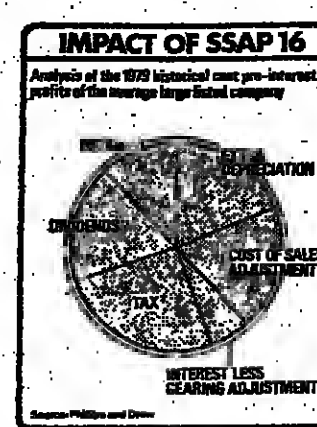
Sceptical analysts

So sceptical has the investment community been of this that the Society of Investment Analysts was moved to ignore the decision of the accountants. Recommended investment practice has been to disregard the earnings per share figures produced by companies and to attempt to turn the clock back by calculating notional "fully taxed" earnings. This has been to replace a silly figure by an only slightly less silly one, but now there is an opportunity for the accountants and the investment analysts to re-engage.

Whether this opportunity will be accepted, could partly depend on a still to be counted opinion poll. In February the Society of Investment Analysts held a discussion meeting on the new definition of earnings per share required by SSAP 16. Members have been asked to fill in a questionnaire which covered such issues as whether earnings per share and p/e ratio figures should continue to be used at all, and if so whether a current cost definition should replace the historical cost one.

To give an idea of the complexity of the subject it is worth listing the choices the analysts were offered. There were HC "full effective tax," HC standard rate tax, CC total, CC total gains, CC Sandilands-type and CC SSAP 16-type. Respondents could also indicate still another method, or could reject all of them.

It is perhaps ironical in view of all this that SSAP 16 itself says nothing about taxation (nor do the accompanying official Guidance Notes) and



almost nothing about earnings per share. But it may be assumed that companies are expected to continue to observe SSAP 15, while it is stated in SSAP 16 that listed companies should show current cost earnings per share based on the current cost profit attributable to equity shareholders.

For a company operating in the UK there should not be too many problems here. Capital allowances and stock relief provide a rough and ready adjustment of tax for inflation, and on average the current cost charge will probably come out somewhere in the region of 50 per cent.

There are complications, however, where there are substantial overseas operations, and the SSAP 15 approach may not be appropriate. This can lead to very high tax charges in current cost p and i accounts. Moreover there is the question of the advance corporation tax associated with a large dividend—this may well be unrecoverable.

At some time in the future, corporate taxation may be charged on a current cost basis, but that seems a long way off. For instance, some decision would have to be made on whether the gearing adjustment should form part of taxable profits. The positioning of the gearing adjustment below the tax line in one of the alternative p and i account presentations in SSAP 16 may well represent in part a precautionary move to protect it from the tax man.

Normalising tax

It would be easy enough to achieve standard presentation. But there are more fundamental arguments about the appropriate tax charge. One argument is that tax should be "normalised" by applying a standard rate to UK earnings

and charging actual overseas tax paid; but companies often fail to publish the information which could allow analysts to do this. It is easier simply to deduct the actual SSAP 15 tax charge, and this is presumably what companies themselves will do; but this raises the problem of the remaining deferred tax which some companies are charging, because the directors, perhaps cautiously, believe it will soon become payable.

The three stockbroking firms, which have published extensive current cost profit estimates for companies, Phillips and Drew, De Zoete and Bevan, and W. Greenwell, all appear to take a slightly different approach to the tax question. This lack of conformity could pose problems when, for instance, the Financial Times come to decide on the way in which current cost earnings, dividend cover and price-earnings ratios should be presented on the prices pages.

There could also be awkward decisions, of course, for companies, which up to now seem mostly to have ignored current cost earnings in determining dividend policy. The 1980 results will be a poor platform for the launching of mandatory current cost earnings, and it looks as though a great many industrial companies will have difficulty in covering a maintained dividend on this accounting basis.

In the transitional period, sudden readjustment is unlikely. The last Bank of England Bulletin pointed out that companies now have a great deal of freedom to distribute their capital, something that company law, because of inflation, is now ineffective in restricting (at least when the statutory accounts are still drawn up on the historical cost-basis). There is indeed a view that low return companies should deliberately overinvest, because they cannot earn an adequate real return on reinvested cash flow, and there is no tax penalty when the dividends are received by the increasingly dominant pension funds.

Yet it is unlikely that many companies actually see it this way, and it must be assumed that an eventual broad adjustment to underlying real earnings will be achieved. It is not going to be at all easy, however, to arrive at one single earnings number which will be viewed as satisfactory by management, accountants and investors.

Services' pay squeeze lifted

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN IMPORTANT exception to the generally tight application of cash limits on public spending is to be allowed, to increase Armed Forces pay.

The decision follows lengthy negotiations between the Ministry of Defence and the Treasury.

The annual Defence Estimates, published last week, provide for a 14 per cent increase, between 1979-80 and 1980-81, in current expenditure costs which include Armed Forces pay.

However, the White Paper says this provision in no way pre-empt recommendations by the Review Body on Armed Forces Pay, due to report

shortly, or prejudices the Government's decision on them.

It notes that the Government is committed "to maintain fully comparable rates of pay for the Armed Forces."

The recommended increases might approach 20 per cent. In addition to what has already been provided, that might cost an extra £130m to £150m in the current financial year.

It would be financed out of the £1bn contingency reserve, which is specifically set aside for extra items within the overall total of public spending.

It is being emphasised in Whitehall that Armed Forces pay is the only exception and

that there will be no relaxation of cash limits for other items of the defence budget such as equipment purchase.

The general principle is that cost increases have to be contained within the 14 per cent limit; if they are not, the planned volume of expenditure will have to be reduced.

Indeed, since price rises are officially forecast to be higher than assumed in the cash limits, there is intended to be a small general squeeze on the volume of spending.

However, Mr. Francis Pym, Defence Secretary, argued that such a general squeeze would be incompatible with Conservative commitments to maintain

comparable rates of pay for the Armed Forces and to increase their numbers.

Consequently, there was lengthy wrangling with the Treasury and Mr. John Biffen, Chief Secretary, over what should be done.

Mr. Pym appears to have won this point, though the commitment to maintain tight cash limits for the rest of the defence budget could squeeze spending on equipment and civilian staff if pay and price rises are as high as expected.

The Defence Estimates at present provide £2.47bn for expenditure on Armed Forces pay in 1980-81, compared with £1.86bn in 1979-80.

Car sales expected to slacken

By Kenneth Gooding, Motor Industry Correspondent

NEW CAR sales in the UK, reasonably buoyant in the first quarter of 1980, are expected to slacken considerably from now on.

Registrations in March at 163,000, were more than 12 per cent below the 183,000 in March 1979.

As a result, the 1980 first quarter was about 1.5 per cent down on the same period a year before at 468,000 compared with 475,000, according to unofficial figures circulating within the trade.

But the 1979 first quarter was the best for six years, so the motor trade did reasonably well in volume this year.

Sales were running at an annual 1.7m, near the peak reached last year. However, the Society of Motor Manufacturers and Traders now expects a steep decline to an annual rate of about 1.4m throughout the second and third quarters.

April sales will be adversely affected not only by the Budget, which has a psychologically depressing effect, but also by the ending of most big price-cutting and other promotional campaigns.

The upshot is that the society is standing by its forecast made at the end of last year that 1980 new car registrations will be about 1.5m compared with 1.7m in 1979, representing a volume decline of over 12 per cent.

BL's "Buy British" cut-price campaign certainly made an impact on the March figures. Its market share rose to 22.5 per cent, compared with 20.8 per cent in March 1979 and 16.75 per cent in February this year.

Ford fell some 1.5 per cent, and its share fell to 28.1 per cent from 28.3 per cent in March last year and a target of 30 per cent for the whole of 1980.

The importers' penetration of the market eased a little, from 57.75 per cent in February to 56.8 per cent in March.

Two distillers cut shipments of bulk malt whisky to Japan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

TWO BIG SCOTCH whisky distillers, both Canadian-owned, have substantially cut their shipments of bulk malt whisky to Japan in response to continued criticism from trade unions and sections of the industry.

Seagram and Hiram Walker have attracted most of the attacks by opponents of the trade, although they are not the highest bulk exporters and account between them for less than 20 per cent of the total.

Japanese distillers buy Scotch malt in bulk to blend with their own whiskies to improve the flavour.

Neither Seagram nor Hiram Walker accepts the argument of some other companies and the unions that the practice damages sales of bottled Scotch in Japan and enables the Japanese to mount aggressive drives against Scotch in other export markets.

Nevertheless they have been influenced by the campaign against the bulk trade, which

has intensified since a report by the whisky working party of the National Economic Development Committee at the end of 1978.

Both companies say that they have turned away business from Japan to reduce their commitment to bulk exports, although neither intends to withdraw from the trade altogether.

Mr. Steve McCann, chairman of Hiram Walker (Scotland), said that bulk shipments by his company to Japan were 30 per cent less in 1979 than in the previous year.

Hiram Walker had been hurt by the implications in some criticisms that because it had a Canadian parent, it was not deeply committed to British interests or to building up the sales of its bottled products, which are about 90 per cent of its output.

He also resented the fact that bulk sales had been described as disreputable, and companies involved as unpatriotic.

Mr. Ivan Straker, managing director of Glenlivet Distillers, speaking for Seagram, said that his company had reduced volumes to Japan substantially in the last three years. Although there had been no direct pressure, he had to heed union criticism "to avoid risk of jeopardising Seagram's bottled Scotch business."

"I do not adhere to the logic behind the arguments put up by the opponents of this business, but there is one aspect which I find difficult to argue against."

Our opponents say that whether you like it or not, by exporting malt to Japan we are affecting the taste of Japanese distilled whisky, making it nearer to Scotch in flavour and making it therefore theoretically a contender for our export markets.

"I cannot argue against that, although there is no evidence to show it is happening in practice."

News analysis, Page 5

Continued from Page 1

Iran army

population belongs to the mainstream Sunni sect.

In the attacks on the oil installations seven oil and gas pipelines leading to the main oil refinery at Abadan were blown up. A pumping station associated with an oilfield leading to a smaller refinery at Kermanshah was also attacked twice at the weekend.

Iraq has been accused before of supporting Arab separatists carrying out sabotage in Iran.

In other incidents five people were killed in Khoramshar when a car carrying explosives blew up. Oilfield guards near Ahwaz chased off several un-

identified people trying to attach explosives to a pipeline.

President Saddam Hussein of Iraq threatened to avenge the "spilled blood" of students killed or injured when a grenade was thrown at a student gathering at Baghdad's Al Mostansiriyah University last Tuesday. Vice Premier Tarak Aziz was also injured in the attack.

A second bomb was thrown 48 hours later at a funeral procession in the Iraqi capital. The procession was for two students who died from wounds in the first attack.

Iraq has also renewed its criticism of Iran for the occupation of three disputed islands

Continued from Page 1

BP deal

man, will probably outline the changed trading position when he meets the Press this week. Industry reports suggest that last year BP had direct access to between 2m and 2.5m barrels a day as against 4.5m barrels a day in 1974.

The group is said to have less than 2bn barrels of oil reserves within the Organisation of Petroleum Exporting Countries, where in 1971 it had around 66bn barrels.

A few years ago, the bulk of BP's supplies came from three countries: Nigeria, Kuwait and Iran—all of which have cut exports to BP.

Business confidence 'lowest since 1976'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BUSINESS CONFIDENCE about prospects for industry and the economy as a whole has fallen to the lowest level since 1975-76, and the Budget has made little difference.

The Financial Times monthly survey of business opinion, published this morning, shows that companies are particularly concerned about the increasing inflationary pressures, falling demand and weakening liquidity.

The interviews—this month covering food and tobacco, textile and clothing, and building and construction sectors—were carried out be-

fore the Budget but almost all the companies have been contacted since then.

About a third of the companies made favourable comments about the Budget. Most of these referred to the Government's new medium-term financial strategy, which was generally welcomed for providing more information about future plans.

Roughly half the companies were broadly neutral about the Budget, mainly because of the general pessimism about the short-term economic outlook. Several companies said they would be more cautious and more concerned about financial con-

straints following the Budget. Asked about specific proposals, about one-fourth of the companies said they would look at the proposed enterprise zones, where Government regulations are to be eased.

After the Budget, none of the interviewed wanted to change their view about their company's prospects. Optimism has now fallen below the low point reached in December, 1976, and is not far above the February, 1975, low.

Among the main features this month are the increasing evidence that industry's stock levels are too high in rela-

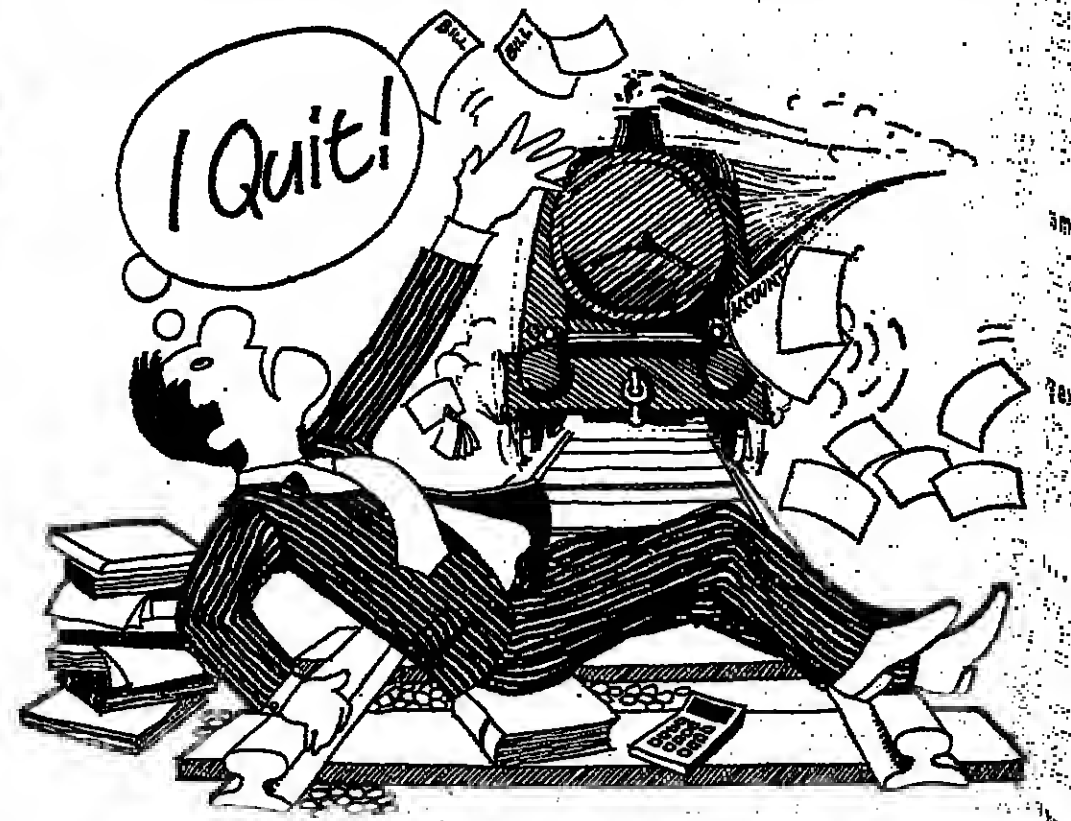
tion to current sales. There is also growing caution about expected labour needs over the next 12 months.

Companies are also continuing to scale-up projected wage and unit-cost rises over the next 12 months—now up to 17.5 and 15.1 per cent respectively.

The steel strike has resulted in an increasing number of references to shortages of raw materials and to labour disputes in supplier companies.

In the food and tobacco sector this was chiefly because companies faced restricted supplies of cans.

Details, Page 10



DON'T DO IT... Call for KIENZLE!

Keep your cool. When the pressure builds, you must be calm and collected. The last thing you need is a problem with your accounts. Switch your company's book-keeping over to a Kienzle computer now and you can smile your way through trouble—armed with the facts on daily stock control, debtors and creditors, management figures and a smug way with the bank manager.

Rent your Kienzle from £45 to under £100 weekly or buy from £7,200 to about £15,500.

Make a firm decision—post the Coupon now or quietly lift the phone and scream for help!

TOMORROW—MY OFFICE—YOUR BROCHURES!

My name is

My position is

Just cut out and clip it to your company letterhead or your business card. Post it to us today!

KIENZLE DATA SYSTEMS, 224 BATH RD., SLOUGH SL1 4DS
TELEPHONE SLOUGH 33355 TELEFAX 848535 KIENZLE G

Branches also at: Birmingham, Bristol, Bury St. Edmunds, Cardiff, Manchester, Newcastle, Norwich, Winchester, Dublin, Aberdeen and Dundee (agents).

KIENZLE Computers

A RELIABLE PARTNER

FT125

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Brecken House, Cannon Street, London, EC4A 3DF.
© The Financial Times Ltd., 1980.

هَذَا مِنْ الْأَمَلِ